

Original sponsor: Rules Committee by  
request of the Governor

Offered: 11/3/73

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 6

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act relating to oil and gas pipelines and the  
7 Alaska Pipeline Commission; and providing for an  
8 effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 42.06.140(3) is amended to read:

11 (3) may make, prescribe or require just, fair and reasonable  
12 rates, classifications, regulations, practices, services and facilities  
13 for pipeline carriers engaged solely in intrastate commerce; and may  
14 make, prescribe or require just, fair and reasonable rates for intra-  
15 state shipments by any other pipeline carriers;

16 \* Sec. 2. AS 42.06.140(8) is amended to read:

17 (8) shall require permits for the construction, enlargement  
18 in size or operating capacity, extension or [,] operation [OR ABANDON-  
19 MENT] of any oil or gas intrastate pipeline facility, subject to  
20 necessary and reasonable terms, conditions and limitations;

21 \* Sec. 3. AS 42.06.140(9) is amended to read:

22 (9) may prescribe the system of accounts and regulate the  
23 service of an oil or gas pipeline facility as may be required under  
24 sec. 430 of this chapter.

25 \* Sec. 4. AS 42.06.150 is amended to read:

26 Sec. 42.06.150. POWERS AND DUTIES WITH RESPECT TO FEDERALLY  
27 REGULATED CARRIERS. This [SECTION 140 OF THIS] chapter applies to oil  
28 and gas pipeline carriers regulated under the Interstate Commerce Act  
29 [OF 1906], or the Natural Gas Act [OF 1938], only to the extent not

1 preempted under those federal Acts.

2 \* Sec. 5. AS 42.06 is amended by adding a new section to read:

3       Sec. 42.06.245. FEDERALLY REGULATED CARRIERS. The requirements  
4 of this chapter pertaining to permits and certificates of public  
5 convenience and necessity do not apply to pipelines or pipeline  
6 carriers subject to the jurisdiction of the Interstate Commerce Act  
7 or the Natural Gas Act to the extent that they are engaged only in  
8 interstate commerce. The requirements of this chapter for permits and  
9 certificates of public convenience and necessity do apply to all pipe-  
10 lines or pipeline carriers subject to the Interstate Commerce Act and  
11 the Natural Gas Act whenever they engage in intrastate commerce to the  
12 extent the requirement for such permits and certificates is not pre-  
13 empted under those federal Acts.

14 \* Sec. 6. AS 42.06.430(5) is amended to read:

15       (5) A [THE] pipeline carrier, other than a carrier subject  
16 to the Interstate Commerce Act or the Natural Gas Act, shall keep  
17 books, accounts, papers and records required by this chapter or by  
18 regulations adopted by the commission under this chapter in an office  
19 in this state and may not remove them from the state except upon  
20 written authority by the commission.

21 \* Sec. 7. AS 42.06.430(6) is amended to read:

22       (6) For pipelines subject to the Interstate Commerce Act  
23 or the Natural Gas Act, the uniform system of accounts and manner of  
24 maintaining them and the property records kept and maintained [UNDER  
25 THIS SECTION] shall [, WHERE CONSIDERED PRACTICABLE BY THE COMMISSION,]  
26 be the same as required under regulations prescribed by the applicable  
27 federal agency. However, where federal law permits a pipeline carrier  
28 to consolidate its reporting for more than one pipeline in which it  
29 has an ownership interest, the commission shall require the reports

1 to be made on an individual pipeline basis for any pipeline located  
2 wholly or in part in the state.

3 \* Sec. 8. AS 42.06.430(7)(C) is amended to read:

4 (C) such additional accounts and information as may  
5 be required under either (2) or (6) of this section.

6 \* Sec. 9. AS 42.06.450(b) and (c) are amended to read:

7 (b) When unreasonable practices are found to exist, the commis-  
8 sion may, after providing reasonable notice and opportunity for  
9 hearing, take appropriate action to insure that neither the direct nor  
10 the indirect costs of the practices are borne by the public; however, no  
11 jurisdiction is conferred to the commission by this section over those  
12 practices which are proscribed or regulated by the Interstate Commerce  
13 Act or Natural Gas Act or the regulations, rules and orders issued  
14 under those federal Acts.

15 (c) In a rate proceeding involving intrastate rates the oil or  
16 gas pipeline carrier has the burden of proving that any written or  
17 unwritten contract or arrangement it may have with any of its affiliated  
18 interests for the furnishing of any services or for the purchase, sale,  
19 lease or exchange of any property is necessary and consistent with the  
20 public interest and that the payment made for it, or consideration  
21 given, is reasonably based, in part, upon the submission of satisfactory  
22 proof as to the cost to the affiliated interest of furnishing the ser-  
23 vice or property and, in part, upon the estimated cost the oil or gas  
24 pipeline carrier would have incurred if it furnished the service or  
25 property with its own personnel and capital.

26 \* Sec. 10. AS 42.06.490(a) is amended to read:

27 (a) Any person (including a commissioner or employee of the  
28 commission) may file a complaint with the commission under AS 44.62.360  
29 alleging that a pipeline rate, price, service, practice or action, with

1 respect to which the commission has jurisdiction, [OF A PIPELINE CARRIER]  
2 violates this chapter or regulations adopted under it, or that a pipe-  
3 line carrier has not complied with the certificate issued under this  
4 chapter.

5 \* Sec. 11. AS 42.06.630(4) is amended to read:

6 (4) "gas" includes all natural gas and hydrocarbons  
7 produced at the wellhead and not defined as oil [MEANS NATURAL GAS,  
8 INCLUDING BRADENHEAD GAS, CASINGHEAD GAS, GAS PRODUCED FROM AN OIL OR  
9 GAS WELL, AND ANY MIXTURE OF NATURAL AND ARTIFICIAL GAS, AND INCLUDES  
10 LIQUID PRODUCTS AND BY-PRODUCTS OF GAS];

11 \* Sec. 12. AS 42.06.630(8) is amended to read:

12 (8) "oil" includes [MEANS] crude [PETROLEUM] oil, and other  
13 hydrocarbons regardless of gravity which are produced at the wellhead  
14 in liquid form, its products and liquid hydrocarbons, including the  
15 liquid hydrocarbons known as distillate or condensate recovered or  
16 extracted from gas, other than gas produced in association with oil  
17 and commonly known as casinghead gas [IN ITS NATURAL STATE, AND CRUDE  
18 PETROLEUM OIL FROM WHICH ONLY BASIC SEDIMENT AND WATER HAVE BEEN  
19 REMOVED];

20 \* Sec. 13. This Act takes effect on the day after its passage and approval  
21 or on the day it becomes law without approval.  
22  
23  
24  
25  
26  
27  
28  
29