

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 CS SENATE BILL NO. 6 Fin.

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 42.06.030 is amended to read as follows:

11 Sec. 42.06.030. COMPOSITION OF ALASKA PIPELINE COMMISSION. [(a)].  
12 The Alaska Pipeline Commission consists of the Commissioner of Natural  
13 Resources, the Commissioner of Commerce and a member who shall be  
14 chairman [THREE MEMBERS], appointed by the governor and serving at his  
15 pleasure and confirmed by a majority of the members of the legislature  
16 in joint session.

17 [(b) THE GOVERNOR SHALL DESIGNATE ONE MEMBER OF THE COMMISSION AS  
18 CHAIRMAN OF THE COMMISSION. THIS MEMBER SHALL SERVE AS CHAIRMAN FOR A  
19 TERM OF TWO YEARS, AND MAY BE APPOINTED FOR SUCCESSIVE TERMS.]

20 \* Sec. 2. AS 42.06.040 - 42.06.060 are repealed.

21 \* Sec. 3. AS 42.06.090 is amended to read:

22 Sec. 42.06.090. COMPENSATION OF [MEMBERS OF] THE COMMISSION  
23 CHAIRMAN. The chairman [MEMBERS] of the commission is [ARE] in the  
24 exempt service described in AS 39.25 and receives [RECEIVE] an annual  
25 salary equal to that of a superior court judge, to be paid in 12 equal  
26 monthly installments.

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

28 Sec. 42.06.150. POWERS AND DUTIES WITH RESPECT TO FEDERALLY  
29 REGULATED CARRIERS. (a) Secs. 240 - 420 and secs. 140(3), 140(8),

1 and 140(9) of this chapter do not apply to a pipeline or pipeline  
2 carrier subject to the jurisdiction of [SECTION 140 OF THIS CHAPTER  
3 APPLIES TO OIL AND GAS PIPELINE CARRIERS REGULATED UNDER] the Interstate  
4 Commerce Act [OF 1906], or the Natural Gas Act [OF 1938, ONLY TO THE  
5 EXTENT NOT PRE-EMPTED UNDER THOSE FEDERAL ACTS]. To the extent that  
6 the performance of any duties of the commission affect a pipeline or  
7 pipeline carrier subject to the Interstate Commerce Act or the Natural  
8 Gas Act the performance of the duties shall not be nor require action  
9 inconsistent with applicable federal laws, regulations, rules, orders  
10 or other requirements. Nothing in this section limits the authority  
11 of the commission to prescribe, require, or enforce fair and reasonable  
12 rates for the intrastate transportation of oil or gas under secs. 350 -  
13 410 of this chapter.

14 (b) For purposes of this chapter the Trans-Alaska Pipeline and  
15 any other crude oil pipeline in the state submitting to the jurisdiction  
16 of the Interstate Commerce Commission and transporting crude oil within  
17 the state for subsequent transportation outside the state are considered  
18 to be subject to the jurisdiction of the Interstate Commerce Commission  
19 under the Interstate Commerce Act unless and until a final determination  
20 is made by the Interstate Commerce Commission that the pipeline is not  
21 subject to the jurisdiction of the Interstate Commerce Commission.

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

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

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

1 (6) For pipelines subject to the Interstate Commerce Act  
2 or the Natural Gas Act, the uniform system of accounts and manner of  
3 maintaining them and the property records kept and maintained [UNDER  
4 THIS SECTION] shall [, WHERE CONSIDERED PRACTICABLE BY THE COMMISSION,]  
5 be the same as required under regulations prescribed by the applicable  
6 federal agency. However, where federal law permits a pipeline carrier  
7 to consolidate its reporting for more than one pipeline in which it has  
8 an ownership interest, the commission shall require the reports to be  
9 made on an individual pipeline basis for any pipeline located wholly or  
10 in part in the state.

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

12 (C) such additional [ACCOUNTS AND] information as may  
13 be periodically required [UNDER (2) OF THIS SECTION].

14 \* Sec. 8. AS 42.06.450 is amended by adding a new subsection to read:

15 (d) The provisions of (b) and (c) of this section do not apply  
16 to a pipeline subject to the Interstate Commerce Act or the Natural  
17 Gas Act. The investigatory authority granted to the commission in  
18 (a) of this section does not authorize action inconsistent with the  
19 provisions of the Interstate Commerce Act or the Natural Gas Act or  
20 regulations, rules and orders issued under those federal acts.

21 \* Sec. 9. AS 42.06.490(a) is amended to read:

22 (a) Any person (including a commissioner or employee of the  
23 commission) may file a complaint with the commission under AS 44.62.360  
24 alleging that a pipeline rate, price, service, practice or action, with  
25 respect to which the commission has jurisdiction, [OF A PIPELINE  
26 CARRIER] violates this chapter or regulations adopted under it, or that  
27 a pipeline carrier has not complied with the certificate issued under  
28 this chapter.

29 \* Sec. 10. AS 42.06 is amended by adding a new section to read:

1           Sec. 42.06.495. COMPLAINTS BY COMMISSION AND OTHERS. The  
2 commission, whenever it believes a substantial state interest is in-  
3 volved or whenever it has reason to believe that an owner or operator  
4 is not operating a pipeline in complete accord with its obligation as  
5 a common carrier under this chapter or is refusing to accept, convey or  
6 transport oil or natural gas tendered to it without unjust and  
7 unreasonable discrimination, or is failing to meet its obligation,  
8 under the Interstate Commerce Act, the Natural Gas Act or other  
9 applicable state or federal regulatory act, may initiate, intervene  
10 in or otherwise participate in appropriate proceedings, including but  
11 not limited to proceedings before the Interstate Commerce Commission  
12 and the Federal Power Commission to enforce the obligation.

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

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

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

20           (8) "oil" includes [MEANS] crude [PETROLEUM] oil, and other  
21 hydrocarbons regardless of gravity which are produced at the wellhead  
22 in liquid form, its products and liquid hydrocarbons, including the  
23 liquid hydrocarbons known as distillate or condensate recovered or  
24 extracted from gas, other than gas produced in association with oil  
25 and commonly known as casinghead gas [IN ITS NATURAL STATE, AND CRUDE  
26 PETROLEUM OIL FROM WHICH ONLY BASIC SEDIMENT AND WATER HAVE BEEN  
27 REMOVED];

28 \* Sec. 13. This Act takes effect on the day after its passage and  
29 approval or on the day it becomes law without approval.