

Original sponsor: Rules Committee by
request of the Governor

Offered: 11-1-73
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 6 *dm*

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 42.06.240(a) is amended to read:

11 (a) After January 1, 1974 [1973] no pipeline carrier, or person
12 which will be a pipeline carrier upon completion of any proposed
13 construction or extension, shall engage in the transportation of oil
14 or gas by pipeline subject to the jurisdiction of the commission, or
15 undertake the construction or extension of any pipeline facilities
16 for that purpose, or acquire or operate any pipeline facilities or
17 extension, unless there is in force with respect to that pipeline
18 carrier a certificate of public convenience and necessity issued by
19 the commission authorizing those acts or operations. A certificate
20 shall describe the nature and extent of the authority granted in it,
21 including, as appropriate for the services involved, a description
22 of the authorized area and scope of operation of the oil or gas
23 pipeline facility.

24 * Sec. 2. AS 42.06.240(b) is amended to read:

25 (b) If any person or predecessor in interest was engaged
26 in transportation of oil or gas by pipeline or construction of an oil
27 or gas pipeline [SUBJECT TO THE JURISDICTION OF THE COMMISSION] on or
28 before January 1, 1974 [1973], OVER THE ROUTE OR ROUTES FOR WHICH
29 APPLICATION IS MADE], the commission shall issue a [THE] certificate

1 of public convenience and necessity for that pipeline [WITHOUT REQUIRING
2 FURTHER PROOF THAT PUBLIC CONVENIENCE AND NECESSITY WILL BE SERVED
3 BY THE OPERATION, AND] without hearings or [FURTHER] proceedings. For
4 purposes of this section, "construction" includes application for a
5 federal right-of-way permit [, IF APPLICATION FOR THE CERTIFICATE IS
6 MADE TO THE COMMISSION BEFORE JANUARY 1, 1973; PENDING THE DETERMINA-
7 TION OF THE APPLICATION, THE CONTINUED OPERATION OF THE PIPELINE OR
8 PIPELINES IS LAWFUL].

9 * Sec. 3. AS 42.06 is amended by adding a new section to read:

10 Sec. 42.06.245. FEDERALLY REGULATED CARRIERS. The requirements
11 of this chapter pertaining to permits and certificates of public
12 convenience and necessity do not apply to the construction of a
13 pipeline facility subject to the jurisdiction of the Interstate
14 Commerce Act or the Natural Gas Act or to the interstate portion of
15 the business of a pipeline or pipeline carrier subject to the juris-
16 diction of the Interstate Commerce Act or the Natural Gas Act;
17 however, the requirements of this chapter for permits and certificates
18 of public convenience and necessity do apply to all the intrastate
19 portion of the business of a pipeline or pipeline carrier subject
20 to the Interstate Commerce Act and the Natural Gas Act whenever they
21 engage in intrastate commerce.

22 * Sec. 4. AS 42.06.280 is repealed and re-enacted to read:

23 Sec. 42.06.280. INSURANCE AND SECURITY. The commission may
24 require any lessee to procure and furnish liability and property damage
25 insurance from a company licensed to do business in the state or
26 furnish other security or undertaking upon the terms and conditions
27 the commissioner considers necessary if the commissioner finds that
28 the net assets of the lessee are insufficient to protect the public
29 from damage for which the lessee may be liable arising out of the

1 construction or operation of the pipeline.

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

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

13 * Sec. 6. AS 42.06.430 is amended by adding a new paragraph to read:

14 (8) The commission may require such additional accounts
15 and information as may be necessary.

16 * Sec. 7. AS 42.06.630(4) is amended to read:

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

22 * Sec. 8. AS 42.06.630(8) is amended to read:

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

1 REMOVED];

2 * Sec. 9. This Act takes effect on the day after its passage and approval
3 or on the day it becomes law without approval.

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