

Introduced: 1/30/76  
Referred: Judiciary

1 IN THE HOUSE

BY BROWN

2 **CS** HOUSE BILL NO. 679 **am**

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the treatment of indebtedness in  
7 public utility rate determinations."

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

9 \* Section 1. AS 42.05.441 is amended by adding a new subsection to read:

10 (c) Indebtedness and debt service by a regulated public utility  
11 to a person having an ownership interest of more than 70 per cent in the  
12 utility shall be considered to be ownership equity or profits until  
13 there is a clear and convincing showing of the extent to which the  
14 indebtedness was incurred for goods and services which were reasonably  
15 necessary for the operation of the utility and were provided at a cost  
16 which was competitive with the price at which they could have been  
17 obtained from a person having no ownership interest. For rate-making  
18 purposes, indebtedness to the owner in excess of this level shall be  
19 treated as ownership equity rather than debt.  
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