

Original sponsor: Brown

Offered: 4/8/76

Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 679

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 determination."

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) For rate-making purposes, indebtedness, debt service and
11 payments by a regulated public utility to a person having an ownership
12 interest of more than 70 per cent in the utility shall be considered to
13 be ownership equity, profits or dividends except to the extent that
14 there is a clear and convincing showing that

15 (1) the indebtedness was incurred, or the payments made, for
16 goods and services which were reasonably necessary for the operation of
17 the utility; and

18 (2) the goods and services were provided at a cost which was
19 competitive with the price at which they could have been obtained from a
20 person having no ownership interest.

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