

1 IN THE HOUSE

BY SWANSON

2 **CS** HOUSE BILL NO. 102

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to public utility rates."

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

8 * Section 1. AS 42.05.381(a) is amended to read:

9 (a) All rates demanded or received by a public utility, or by any
10 two or more public utilities jointly, for a service furnished or to be
11 furnished shall be just and reasonable. A rate may not allow a sur-
12 charge or other additional charge not certain in amount whether the
13 surcharge or other additional charge is for compensation to the utility
14 for increased costs or for other purposes unless

15 (1) the utility has filed within the last three years a
16 complete tariff revision requesting a permanent rate increase;

17 (2) the utility has filed within the last six months a com-
18 plete tariff revision requesting a temporary rate increase; and

19 (3) a hearing on the application for the surcharge or other
20 additional charge has been held after reasonable public notice.

21 * Sec. 2. AS 42.05.381 is amended by adding a new subsection to read:

22 (d) No surcharge may be continued for a period of more than six
23 months unless the utility, acting in good faith, has made application
24 for either a temporary or permanent rate increase.

25 * Sec. 3. AS 42.05.441(b) is amended to read:

26 (b) In determining the value for rate making purposes of public
27 utility property used and useful in rendering service to the public, the
28 commission shall be guided by acquisition cost or, if lower, the ori-
29 ginal cost of the property to the person first devoting it to public

1 service, less accrued depreciation, plus materials and supplies and a
2 reasonable allowance for cash working capital when required. The value
3 of construction work in progress may not be included in the determina-
4 tion of value for rate-making purposes.
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