

Original sponsor: Rules Committee by request  
of the Governor

Offered: 4/11/77  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 248 (Finance)

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 the Alaska Pipeline Commission; and  
7 providing for an effective date."

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

9 \* Section 1. AS 42.06.140(1) is amended to read:

10 (1) shall regulate pipelines and pipeline carriers and  
11 affiliated interests in the state;

12 \* Sec. 2. AS 42.06.140(4) is amended to read:

13 (4) may require pipeline carriers and affiliated interests  
14 to file with the commission reports and other information and data  
15 required or permitted to be required by other provisions of this chapter;

16 \* Sec. 3. AS 42.06.140(8) is amended to read:

17 (8) shall require permits for the construction, enlargement  
18 in size or operating capacity, extension, connection and interconnection,  
19 operation or abandonment of any oil or gas pipeline facility or facili-  
20 ties, subject to necessary and reasonable terms, conditions and limita-  
21 tions;

22 \* Sec. 4. AS 42.06.140(10) is amended to read:

23 (10) shall provide all reasonable assistance to the Depart-  
24 ment of Law in intervening in, offering evidence in, and participating  
25 in proceedings involving a pipeline carrier or affiliated interest  
26 and affecting the interests of the state, before an officer, department,  
27 board, commission or court of another state or the United States.

28 \* Sec. 5. AS 42.06.305 is amended to read:

29 Sec. 42.06.305. TRANSFER OF OPERATING AUTHORITY [CERTIFICATE].

1 Operating authority [A CERTIFICATE] may not be transferred by sale or  
2 lease of the certificate or by the sale of substantially all of the  
3 stock or assets of a pipeline carrier holding a certificate [SOLD OR  
4 LEASED, RENTED OR TRANSFERRED] without the prior approval of the commis-  
5 sion. A [; THE] transfer [OF A CERTIFICATE] not involving a substantial  
6 change in [OF] ownership shall be summarily approved.

7 \* Sec. 6. AS 42.06.390 is repealed and re-enacted to read:

8       Sec. 42.06.390. INITIAL OR REVISED RATES. (a) No pipeline carrier  
9 may establish or place in effect any initial rates, charges, rules,  
10 regulations, conditions of service or practices except after 90 days  
11 notice to the commission and to the public. Notice shall be given by  
12 filing with the commission and keeping open for public inspection the  
13 tariff provisions which shall plainly indicate the time when the tariff  
14 will go into effect. The commission may prescribe additional means of  
15 giving notice. The commission, for good cause shown, may allow initial  
16 tariffs to take effect on less than 90 days notice under conditions the  
17 commission prescribes by order.

18       (b) No pipeline carrier may establish or place in effect any  
19 revised rates, charges, rules, regulations, conditions of service or  
20 practices except after 30 days notice to the commission and to the  
21 public. Notice shall be given by filing with the commission and keeping  
22 open for public inspection the revised tariff provisions which shall  
23 plainly indicate the changes to be made in the schedules then in force  
24 and the time when the changes will go into effect. The commission may  
25 prescribe additional means of giving notice. The commission, for good  
26 cause shown, may allow changes to take effect on less than 30 days  
27 notice under conditions the commission prescribes by order.

28       (c) Initial and revised tariffs shall be filed in the manner  
29 provided in sec. 350 of this chapter.

1 \* Sec. 7. AS 42.06.400(a) is amended to read:

2 (a) When a tariff filing is made containing an initial [A NEW] or  
3 revised rate, classification, rule, regulation, practice, or condition  
4 of service the commission may, either upon written complaint or upon its  
5 own motion, after reasonable notice, conduct a hearing to determine the  
6 reasonableness and propriety of the filing. Pending a hearing the  
7 commission may, by order stating the reasons for its action, suspend the  
8 operation of the tariff filing for an initial period not longer than six  
9 months beyond the time when it would otherwise go into effect. If good  
10 cause is shown, the commission may suspend the operation of the tariff  
11 filing for an additional period not to exceed one year following the end  
12 of the initial suspension period.

13 \* Sec. 8. AS 42.06.430(3) is amended to read:

14 (3) The commission may by regulation require a pipeline  
15 carrier or affiliated interest to establish and maintain as part of its  
16 system of accounts continuing property records showing, as to property  
17 units in this state, the year of placement in service, original cost and  
18 current location, and, as to a pipeline system, accounts and records in  
19 a manner showing, on a current basis, the original cost of the system in  
20 the state and related reserves for depreciation. From time to time the  
21 commission shall determine the proper and adequate rates of depreciation  
22 for each major class of property of an oil or gas pipeline facility.

23 \* Sec. 9. AS 42.06.440 is amended to read:

24 Sec. AS 42.06.440. INSPECTION OF RECORDS. Subject to AS 31.05.-  
25 035(c), the commission shall at all reasonable times have access to, and  
26 may designate any of its employees, agents or consultants to inspect and  
27 examine, the accounts, records, books, maps, inventories, appraisals,  
28 valuations, or other reports and documents, kept by an oil or gas  
29 pipeline carrier or its affiliated interests, or prepared or kept for

1 it by others, which relate to any contract or transaction between them.  
2 The commission may require an oil or gas pipeline carrier or its affili-  
3 ated interest to file with the commission copies of any or all of these  
4 accounts, records, books, maps, inventories, appraisals, valuations, or  
5 other reports and documents, or to maintain those materials at some  
6 convenient location in the state specified by order. Costs incurred in  
7 complying with a commission request to review the records referred to in  
8 this section or to maintain these records in such a manner as to make  
9 them conveniently available for the commission's review shall be borne  
10 by the party controlling the records.

11 \* Sec. 10. AS 42.06.450 is repealed and re-enacted to read:

12 Sec. 42.06.450. INVESTIGATIONS. The commission may investigate  
13 any matter which affects the cost or quality of transportation of oil or  
14 gas in this state by pipeline carriers or affiliated interests or of  
15 related services and may ensure compliance by pipeline carriers and  
16 their affiliated interests with the provisions of this chapter. Inves-  
17 tigation may be public, nonpublic, or both. In conducting investiga-  
18 tions, the commission may compel the attendance and testimony of wit-  
19 nesses and the production of records and testimony before the commission  
20 or its designee. In the course of a nonpublic investigation, the com-  
21 mission shall exclude from attendance at the taking of investigative  
22 testimony all persons except the person compelled to attend, his attor-  
23 ney, members of the commission or the commission's staff, and a person  
24 authorized to transcribe the proceedings. Following an investigation  
25 and after providing reasonable notice and opportunity for hearing, the  
26 commission may institute proceedings to determine whether unreasonable  
27 practices have occurred, whether expenditures have been imprudently  
28 incurred, the costs of those practices or expenditures, and whether a  
29 pipeline carrier and its affiliated interests are in compliance with

1 this chapter. Following such a determination, the commission shall take  
2 appropriate action to ensure that neither the direct nor indirect costs  
3 of any unreasonable practices or imprudent expenditures are included in  
4 any tariff or rate of a pipeline carrier or are borne by the public or  
5 the State of Alaska.

6 \* Sec. 11. AS 42.06.480(b) is amended to read:

7 (b) The [IF NO APPEAL IS TAKEN FROM A FINAL ORDER OF THE COMMIS-  
8 SION, THE] commission may apply to the superior court for enforcement of  
9 this chapter, the regulations adopted under it and the orders of the  
10 commission. The court shall enforce the order by injunction or other  
11 process.

12 \* Sec. 12. AS 42.06.490(a) is amended to read:

13 (a) Any person (including a commissioner or employee of the  
14 commission) may file a complaint with the commission under AS 44.62.360  
15 alleging that a rate, price, service, practice or action of a pipeline  
16 carrier or affiliated interest violates this chapter or regulations  
17 adopted under it, or that a pipeline carrier or affiliated interest  
18 has not complied with the certificate issued under this chapter.

19 \* Sec. 13. AS 42.06.540(a) is amended to read:

20 (a) In addition to all other penalties and remedies provided by  
21 law, every person subject to the provisions of this chapter, as well as  
22 their officers, managers, agents or employees, that either violates or  
23 procures, aids, or abets the violation of any provision of this chapter,  
24 or of an order, rule, regulation or written requirement of the commis-  
25 sion, or that fails to comply with a properly issued subpoena, is sub-  
26 ject to a maximum penalty of \$500 for each violation.

27 \* Sec. 14. AS 42.06.630(9) is amended to read:

28 (9) "pipeline" or "pipeline facility" means all the facili-  
29 ties of a total system of pipe (whether owned or operated by a pipeline

1 carrier under a contract, agreement, or lease) in this state used by a  
2 pipeline carrier for transportation, for hire and as a common carrier,  
3 of oil, [OR] gas, coal, or other mineral slurry for delivery, storage,  
4 or further transportation, and including all pipe, pump and compressor  
5 stations, station equipment, and all other facilities used or necessary  
6 for an integral line of pipe to effectuate the transportation from point  
7 to point, excluding, however, gas processing plants, treaters and  
8 separators;

9 \* Sec. 15. AS 42.06.630(10) is amended to read:

10 (10) "pipeline carrier" means the owner, including corpora-  
11 tions organized under the laws of the United States or of any state  
12 [OTHER STATES], of any pipeline, as the term is defined in this section,  
13 or any interest in it, or any person, including corporations organized  
14 under the laws of the United States or of any state, authorized to con-  
15 struct or extend pipeline facilities under sec. 240(a) of this chapter;

16 \* Sec. 16. AS 42.06.630 is amended by adding a new paragraph to read:

17 (13) "affiliated interest" means any person or other entity

18 (A) which is controlled or owned, in whole or part, by a  
19 pipeline carrier;

20 (B) which is controlled or owned, in whole or in part,  
21 by an entity which controls or owns, in whole or in part, a pipe-  
22 line carrier;

23 (C) which is an agent, employee, contractor, or sub-  
24 contractor of a pipeline carrier or any entity controlled or owned,  
25 in whole or in part, by a pipeline carrier; or

26 (D) which controls or owns, in whole or in part, a  
27 pipeline carrier.

28 \* Sec. 17. This Act takes effect immediately in accordance with AS 01.10.  
29 070(c).