

Original sponsor: Rules Committee by request  
of the Governor

Offered: 4/25/77  
Referred: Rules

1 IN THE HOUSE BY THE RESOURCES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 248

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(4) is amended to read:

10 (4) may require pipeline carriers and affiliated interests  
11 to file with the commission reports and other information and data  
12 required or permitted to be required by other provisions of this chap-  
13 ter;

14 \* Sec. 2. AS 42.06.140(8) is amended to read:

15 (8) shall require permits for the construction, enlargement  
16 in size or operating capacity, extension, connection and interconnec-  
17 tion, operation or abandonment of any oil or gas pipeline facility or  
18 facilities, subject to necessary and reasonable terms, conditions and  
19 limitations;

20 \* Sec. 3. AS 42.06.140(10) is amended to read:

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

26 \* Sec. 4. AS 42.06.305 is amended to read:

27 Sec. 42.06.305. TRANSFER OF OPERATING AUTHORITY [CERTIFICATE].  
28 Operating authority [A CERTIFICATE] may not be transferred by sale or  
29 lease of the certificate or by the sale of substantially all of the

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

5 \* Sec. 5. AS 42.06.390 is repealed and re-enacted to read:

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

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

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

28 \* Sec. 6. AS 42.06.400(a) and (b) are amended to read:

29       (a) When a tariff filing is made containing an initial [A NEW] or

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

11 (b) An order suspending a tariff filing may be vacated if, after  
12 investigation, the commission finds that it is in all respects proper.  
13 Otherwise the commission shall hold a hearing on the suspended filing  
14 and issue its order, before the end of the suspension period, granting,  
15 denying or modifying the suspended tariff in whole or in part. If an  
16 initial tariff is suspended, the commission shall establish a reasonable  
17 temporary tariff. The commission shall allow the collection of the  
18 filed tariff but shall require the pipeline carrier to place the revenue  
19 representing the difference between the filed tariff and the temporary  
20 tariff in escrow in a financial institution approved by the commission,  
21 and keep accurate accounts of all amounts received, specifying by whom  
22 and in whose behalf the amounts are paid. At the end or vacation of the  
23 suspension period the amount owing to the pipeline carrier from the  
24 difference between the temporary tariff and the permanent tariff shall  
25 be paid to the pipeline carrier. The surplus, if any, shall be refunded  
26 to the persons in whose behalf the amounts were paid into escrow. No  
27 funds may be released from escrow without the commission's prior written  
28 consent and instructions to the escrow agent. The pipeline carrier, at  
29 its expense, may substitute a bond in lieu of the escrow requirement.

1 \* Sec. 7. AS 42.06.430(3) is amended to read:

2 (3) The commission may by regulation require a pipeline  
3 carrier or affiliated interest engaged in activities relating to pipe-  
4 lines to establish and maintain as part of its system of accounts con-  
5 tinuing property records showing, as to property units which are actu-  
6 ally being used in pipeline activity in this state, the year of place-  
7 ment in service, original cost and current location, and, as to a pipe-  
8 line system, accounts and records in a manner showing, on a current  
9 basis, the original cost of the system in the state and related reserves  
10 for depreciation. From time to time the commission shall determine the  
11 proper and adequate rates of depreciation for each major class of  
12 property of an oil or gas pipeline facility.

13 \* Sec. 8. AS 42.06.440 is amended to read:

14 Sec. AS 42.06.440. INSPECTION OF RECORDS. Subject to AS 31.05.-  
15 035(c), the commission shall at all reasonable times have access to, and  
16 may designate any of its employees, agents or consultants to inspect and  
17 examine, the accounts, records, books, maps, inventories, appraisals,  
18 valuations, or other reports and documents, kept by an oil or gas  
19 pipeline carrier or its affiliated interests, or prepared or kept for it  
20 by others, which relate to any contract or transaction between them.  
21 The commission may require an oil or gas pipeline carrier or its affili-  
22 ated interest to file with the commission copies of any or all of these  
23 accounts, records, books, maps, inventories, appraisals, valuations, or  
24 other reports and documents, or to maintain those materials at some  
25 convenient location in the state specified by order. Costs incurred in  
26 complying with a commission request to review the records referred to in  
27 this section or to maintain these records in such a manner as to make  
28 them conveniently available for the commission's review shall be borne  
29 by the party controlling the records.

1 \* Sec. 9. AS 42.06.450 is repealed and re-enacted to read:

2           Sec. 42.06.450. INVESTIGATIONS. The commission may investigate  
3 any matter which affects the cost or quality of transportation of oil or  
4 gas in this state by pipeline carriers or affiliated interests or of  
5 related services and may ensure compliance by pipeline carriers and  
6 their affiliated interests with the provisions of this chapter. Inves-  
7 tigation may be public, nonpublic, or both. In conducting investiga-  
8 tions, the commission may compel the attendance and testimony of wit-  
9 nesses and the production of records and testimony before the commission  
10 or its designee. In the course of an investigation, the commission may  
11 exclude from attendance at the taking of investigative testimony all  
12 persons except the person compelled to attend, his attorney, members of  
13 the commission or the commission's staff, and a person authorized to  
14 transcribe the proceedings. Following an investigation and after pro-  
15 viding reasonable notice and opportunity for hearing, the commission may  
16 institute proceedings to determine whether unreasonable practices have  
17 occurred, whether expenditures have been imprudently incurred, the costs  
18 of those practices or expenditures, and whether a pipeline carrier and  
19 its affiliated interests are in compliance with this chapter. Following  
20 such a determination, the commission shall take appropriate action to  
21 ensure that neither the direct nor indirect costs of any unreasonable  
22 practices or imprudent expenditures are included in any tariff or rate  
23 of a pipeline carrier or are borne by the public or the State of Alaska.

24 \* Sec. 10. AS 42.06.480(b) is amended to read:

25           (b) If no appeal is taken from a final order of the commission  
26 within 10 calendar days, the commission may apply to the superior court  
27 for enforcement of this chapter, the regulations adopted under it and  
28 the orders of the commission. The court shall enforce the order by  
29 injunction or other process.

1 \* Sec. 11. AS 42.06.490(a) is amended to read:

2 (a) Any person (including a commissioner or employee of the  
3 commission) may file a complaint with the commission under AS 44.62.360  
4 alleging that a rate, price, service, practice or action of a pipeline  
5 carrier or affiliated interest violates this chapter or regulations  
6 adopted under it, or that a pipeline carrier or affiliated interest  
7 has not complied with the certificate issued under this chapter.

8 \* Sec. 12. AS 42.06.630(9) is amended to read:

9 (9) "pipeline" or "pipeline facility" means all the facili-  
10 ties of a total system of pipe (whether owned or operated by a pipeline  
11 carrier under a contract, agreement, or lease) in this state used by a  
12 pipeline carrier for transportation, for hire and as a common carrier,  
13 of oil, [OR] gas, coal, or other mineral slurry for delivery, storage,  
14 or further transportation, and including all pipe, pump and compressor  
15 stations, station equipment, and all other facilities used or necessary  
16 for an integral line of pipe to effectuate the transportation from point  
17 to point, excluding, however, gas processing plants, treaters and  
18 separators;

19 \* Sec. 13. AS 42.06.630(10) is amended to read:

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

26 \* Sec. 14. AS 42.06.630 is amended by adding a new paragraph to read:

27 (13) "affiliated interest" means any person or other entity  
28 (A) which is controlled or owned, in whole or part, by a  
29 pipeline carrier;

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(B) which is controlled or owned, in whole or in part, by an entity which controls or owns, in whole or in part, a pipeline carrier;

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

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

\* Sec. 15. This Act is retroactive to July 1, 1976.

\* Sec. 16. This Act takes effect immediately in accordance with AS 01.10.070(c).