

Original sponsor: Commerce Committee

Offered: 6/2/78
Referred: Rules

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 135

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 Urging adoption of a regulation by the
6 Alaska Public Utilities Commission.

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

8 WHEREAS the Alaska Public Utilities Commission in 3 AAC 48.430 has
9 adopted by reference the procedures and practices set out in the February
10 1971 edition of the Separations Manual, published by the National Association
11 of Regulatory Utility Commissioners (otherwise known as the OZARK method),
12 for use in allocating property costs, revenues, expenses, taxes, and reserves
13 of each utility certified by the commission, as well as in determining which
14 of the foregoing are subject to the jurisdiction of the commission; and

15 WHEREAS, in administrative hearings before the adoption of 3 AAC 48.430,
16 RCA Alascom, the state's only long lines carrier, recommended that the regu-
17 lation apply solely to local exchange companies and not to long lines opera-
18 tions; and

19 WHEREAS, under the practices and procedures outlined by the OZARK
20 method, property costs, revenues, expenses, taxes and reserves, which are
21 subject to the jurisdiction of the Alaska Public Utilities Commission, cannot
22 be fairly determined for long lines carriers operating in Alaska; and

23 WHEREAS officials of RCA Alascom have testified before both the Legisla-
24 ture and the Alaska Public Utilities Commission as to the unfair burden the
25 OZARK formula imposes on Alaskan users of long distance intrastate telephone
26 service; and

27 WHEREAS, despite the unfairness of the OZARK method for determining
28 jurisdictional separations for long lines carriers, it has proven fair and
29 useful as a means of settlement between long lines carriers and local

1 exchange companies; and

2 WHEREAS the OZARK method was used as such a means of settlement even
3 before the adoption of 3 AAC 48.430;

4 BE IT RESOLVED that the Alaska State Legislature finds the February 1971
5 edition of the Separations Manual to be inappropriate for jurisdictional
6 separations for the purpose of rate making in Alaska; and be it

7 FURTHER RESOLVED that the Alaska Public Utilities Commission is respect-
8 fully requested to adopt an emergency regulation amending 3 AAC 48.430 by
9 deleting the last sentence and replacing it with the following sentence: The
10 principles of this manual shall be used for the purposes of establishing
11 settlements in Alaska but need not necessarily be used for the purposes of
12 establishing intrastate toll rates.

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29