

Introduced: 4/13/77
Referred: Community and
Regional Affairs and Finance

1 IN THE SENATE

BY THE COMMERCE COMMITTEE
BY REQUEST

2 SENATE BILL NO. 319

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 debt of public utilities."

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

8 * Section 1. AS 42.05 is amended by adding a new section to read:

9 Sec. 42.05.536. DEBT. (a) No public utility may incur debt
10 payable more than 12 months after the debt is incurred or issue bonds,
11 notes or other evidence of debt payable more than 12 months after issu-
12 ance unless the incurring of the debt, the terms and conditions of
13 payment, and the evidence of the debt have been approved by the commis-
14 sion by order.

15 (b) The commission shall provide by regulation the procedure for
16 consideration by the commission of a proposal by a public utility to
17 incur debt requiring approval under this section. No order approving
18 incurring debt may be issued except after hearing conducted by the
19 commission on at least 30 days notice to the public.

20 (c) In any proceeding under this section the commission shall
21 determine and set out in its order:

22 (1) whether the purpose to which the debt is applied is
23 reasonably required by the utility to meet its present and prospective
24 obligations to provide utility service;

25 (2) whether the amount of the debt, the probable cost of the
26 debt service, and the terms of the debt are just and reasonable;

27 (3) what effect, if any, the incurring of the debt and the
28 cost of the debt will have on the present and prospective revenue
29 requirements of the utility;

1 (4) other matters as the commission considers material to
2 approval.
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