

Introduced: 2/14/78
Referred: Commerce and
Resources

1 IN THE SENATE

BY HACKNEY, HUBER AND POLAND

2 SENATE BILL NO. 517 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Pipeline Commission."

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

8 * Section 1. AS 42.06.400(b) is amended to read:

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

1 carrier's [ITS] expense, to [MAY] substitute a bond or letter of credit
2 in lieu of the escrow requirement. If the commission requires collec-
3 tion of the temporary tariff, it shall require the shipper to place the
4 revenue representing the difference between the filed initial tariff and
5 the temporary tariff in escrow in a financial institution approved by
6 the commission, and require that accurate accounts similar to those
7 specified above in this section be kept by the carrier and the shipper.
8 The person owing shall pay the person owed to the satisfaction of the
9 commission within 30 days after the commission order allowing or setting
10 a permanent tariff. The amount, if any, by which the permanent tariff
11 exceeds the temporary tariff shall be paid by the shipper to the carrier,
12 or, if the temporary tariff exceeds the permanent tariff, the difference
13 shall be paid by the carrier to the shipper, and in either event such
14 payment shall be made with interest calculated on the balance due at the
15 end of each calendar month at the legal rate, as defined in AS 45.45.-
16 010(a). The commission may allow the shipper, at the shipper's expense,
17 to substitute a bond or letter of credit in place of the escrow require-
18 ment.

19 * Sec. 2. AS 42.06.400(c) is repealed and re-enacted to read:

20 (c) If a proposed increased rate is suspended, the commission
21 shall establish a reasonable temporary tariff. The temporary tariff may
22 be the same as the tariff the carrier is seeking to revise. The commis-
23 sion may allow the collection of the filed proposed increased rate, or
24 it may require collection of the temporary rate. If the commission
25 allows collection of the filed increased rate, it shall require the
26 pipeline carrier to place the revenue representing the difference be-
27 tween the filed proposed increased rate and the temporary rate in escrow
28 in a financial institution approved by the commission, and keep an
29 accurate account of all amounts received, specifying by whom and on

1 whose behalf the amounts are paid. At the end or vacation of the sus-
2 pension period the amount, if any, owing to the pipeline carrier from
3 the difference between the temporary rate and the permanent rate shall
4 be paid to the pipeline carrier. The surplus, if any, shall be refunded
5 to the persons on whose behalf the amounts were paid into escrow. No
6 funds may be released from escrow without the commission's prior written
7 consent and instructions to the escrow agent. The commission may allow
8 the pipeline carrier, at the carrier's expense, to substitute a bond or
9 letter of credit in place of the escrow requirement. If the commission
10 requires collection of the temporary rate, it shall require the shipper
11 to place the revenue representing the difference between the proposed
12 increased rate and the temporary rate in escrow in a financial institu-
13 tion approved by the commission, and require that accurate accounts
14 similar to those specified above in this subsection be kept by the
15 carrier and the shipper. The person owing shall pay the person owed to
16 the satisfaction of the commission within 30 days after the commission's
17 order allowing or setting a permanent tariff. The commission may allow
18 the shipper, at the shipper's expense, to substitute a bond or letter of
19 credit instead of meeting the escrow requirement.
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