

Original sponsor: State Affairs Committee

Offered: 6/17/78
Referred: Finance

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 592

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 utilities; and providing for an
7 effective date."

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

9 * Section 1. AS 42.05.711(d) is amended to read:

10 (d) The commission, on a finding that no legitimate public in-
11 terest will be served, may exempt a utility from all or any portion of
12 this chapter. The commission may waive regulations adopted by it in
13 whole or in part, upon application or its own motion, if necessary to
14 establish fair and reasonable rates.

15 * Sec. 2. AS 44.33.040 is amended by adding a new paragraph to read:

16 (12) administer the residential electric energy fund.

17 * Sec. 3. AS 44.33 is amended by adding new sections to read:

18 ARTICLE 2A. RESIDENTIAL ELECTRIC ENERGY FUND.

19 Sec. 44.33.080. RESIDENTIAL ELECTRIC ENERGY FUND CREATED. There
20 is created within the section of power development of the Department of
21 Commerce and Economic Development the residential electric energy fund.
22 From legislative appropriations to the fund, the department shall pay
23 grants to eligible public utilities providing electric energy in accor-
24 dance with secs. 80 - 99 of this chapter.

25 Sec. 44.33.085. ELECTRIC ENERGY GRANTS. Payments shall be made
26 under secs. 80 - 99 of this chapter to defray the costs of electric
27 energy consumption for the electric energy usage block for residential
28 customers of a utility if the rate allowed by the utility's tariff
29 exceeds the electric energy usage block rate. The payment due a utility

1 shall be determined by

2 (1) calculating the difference between the actual rate
3 charged by the utility and the electric energy usage block rate for a
4 residential customer;

5 (2) multiplying the amount determined under (1) of this
6 section by the amount of electric energy consumed within the electric
7 energy usage block by each residential customer;

8 (3) summing the amounts determined under (2) of this section
9 for all residential customers served.

10 Sec. 44.33.090. PROGRAM ADMINISTRATION. (a) Payments shall be
11 made by the department directly to the utility. Payments shall be made
12 to a utility not less often than monthly.

13 (b) No payment of any portion of the proceeds of the fund may be
14 made by the commissioner unless

15 (1) there is on file with the department a written certifica-
16 tion of the commission that a utility providing electric energy for
17 which a grant payment may be made under secs. 80 - 99 of this chapter is
18 subject to regulation by the commission under AS 42.05; and

19 (2) the commissioner is satisfied that the monthly rate paid
20 for the initial 300 kilowatt-hours per month by a residential customer
21 of a utility to which a grant payment is to be made exceeds the electric
22 energy usage block rate determined under sec. 99(5) of this chapter for
23 the electric energy usage block.

24 (c) Annually, before January 31, the commissioner shall determine
25 and advise the governor and the legislature of his estimate of the sum
26 required to provide funds sufficient to make full payment of grants from
27 the fund to all qualifying utilities under sec. 85 of this chapter.

28 (d) If amounts appropriated to the grant fund are insufficient to
29 meet the full payment due each utility under sec. 85 of this chapter,

1 the amount available in the fund shall be distributed pro rata among
2 eligible utilities. If proration of payment is required, the commis-
3 sioner shall immediately notify the chairman of the commission and all
4 qualified utilities. When a utility receives notice from the commis-
5 sioner that proration of payment is required under this section, the
6 utility, after providing written notice to each affected customer of the
7 reason for the change in the charge for residential service, may require
8 residential users to pay an increased portion of the cost of residential
9 service, not to exceed the rate allowed under the effective tariff.

10 (e) The department may adopt regulations to carry out the purposes
11 of secs. 80 - 99 of this chapter.

12 Sec. 44.33.099. DEFINITIONS. In secs. 80 - 99 of this chapter

13 (1) "commission" means the Alaska Public Utilities Commis-
14 sion;

15 (2) "commissioner" means the commissioner of the Department
16 of Commerce and Economic Development;

17 (3) "department" means the Department of Commerce and Eco-
18 nomic Development;

19 (4) "electric energy usage block" means the initial amount of
20 energy for residential customers of a utility providing electric energy
21 and is limited to 300 kilowatt-hours per month per residential customer
22 unit;

23 (5) "electric energy usage block rate" means the statewide
24 standard rate for the electric energy usage block and is 10 cents per
25 kilowatt hour.

26 * Sec. 4. AS 42.05.391(d) is amended to read:

27 (d) Nothing in this section prevents a public utility from charg-
28 ing reduced rates

29 (1) to customers transferred to it from a competing utility

1 providing the reduction is an integral part of a contract, arrangement
2 or plan to eliminate the overlapping of service areas or to minimize
3 duplication of facilities and competition between public utilities;

4 (2) to residential customers of a public utility which is
5 providing electric energy, if the reduction is authorized by the commis-
6 sion to qualify customers of the utility for the benefits of the resi-
7 dential electric energy grant and the reduced rate charged is not less
8 than the amount provided to the utility by way of a grant from the
9 residential electric energy rate fund.

10 * Sec. 5. LEGISLATIVE INTENT. The legislature determines that the public
11 interest requires and demands the regulation of public utilities and will be
12 better served by consumer representation before utility regulatory agencies,
13 outside of and apart from the representation already provided by the Alaska
14 Public Utilities Commission and its staff. Therefore, the legislature con-
15 cludes that it is in the public interest that a public utility consumer
16 counsel be established to represent the interests of consumers before utility
17 regulatory agencies.

18 * Sec. 6. AS 44.23 is amended by adding new sections to read:

19 Sec. 44.23.070. PUBLIC UTILITY CONSUMER COUNSEL. (a) Within the
20 Department of Law is the office of the public utility consumer counsel.

21 (b) The office of the public utility consumer counsel consists of
22 at least one assistant attorney general appointed by the attorney
23 general who is admitted to the practice of law in the state, and is
24 familiar with public utility regulation and practice before public
25 utility regulatory commissions.

26 (c) The Department of Law shall set out separately the expenses of
27 the office of the public utility consumer counsel as an independent
28 sub-program or element of the Department of Law budget, which shall be
29 submitted by the governor in accordance with the Executive Budget Act

1 (AS 37.07) as part of his annual budget presentation to the legislature.
2 The funds budgeted shall include sufficient allowances for expert wit-
3 ness fees and other costs of participating in regulatory proceedings to
4 allow the office to operate effectively in representing the consumer of
5 services of a public utility.

6 (d) The public utility consumer counsel may

7 (1) intervene as a party or otherwise participate in a hear-
8 ing or other procedure before a utility regulatory agency for the pur-
9 pose of representing the interest of utility consumers in the proceeding
10 whenever he determines that the result of a proceeding may substantially
11 affect the interests of utility consumers;

12 (2) maintain actions for judicial review of utility regula-
13 tory agency decisions and may intervene or otherwise participate in
14 civil proceedings involving review or enforcement of agency action which
15 he determines may substantially affect the interests of consumers;

16 (3) select and contract for the services of technically
17 qualified persons in the area of public utility matters to assist him in
18 the preparation and presentation of matters before regulatory agencies
19 and the courts.

20 (e) The public utility consumer counsel shall submit to the
21 legislature an annual report of the activities of his office. The
22 report shall be submitted on or before the first day of the legislative
23 session.

24 * Sec. 7. AS 42.05.111 is amended to read:

25 Sec. 42.05.111. LEGAL COUNSEL. (a) The commission shall employ
26 [ATTORNEY GENERAL IS] legal counsel who [FOR THE COMMISSION. HE] shall
27 advise the commission in legal matters arising in the discharge of its
28 duties and, notwithstanding AS 44.23.020, represent the commission in
29 actions to which it is a party. If, in the opinion of the commission,

1 the public interest is not adequately represented by counsel in a pro-
2 ceeding, the commission's counsel [ATTORNEY GENERAL], upon request of
3 the commission, shall represent the public interest.

4 (b) The commission may employ temporary legal counsel from time to
5 time in proceedings before the commission in which its own counsel [THE
6 ATTORNEY GENERAL] is representing the public interest or a party before
7 the commission.

8 * Sec. 8. Sections 2 - 4 of this Act take effect October 1, 1978 and
9 terminate June 30, 1980.

10 * Sec. 9. Sections 1, 5 - 7 of this Act take effect July 1, 1978.
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