

Original sponsor: Commerce Committee

Offered: 5/31/80

Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

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HOUSE CS FOR SENATE BILL NO. 577 (Finance) am H

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act relating to regulatory commissions; continuing

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the existence and amending the laws governing the

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Alaska Public Utilities Commission; amending the

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qualifications of the members of the Alaska Pipeline

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Commission; and providing for an effective date."

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

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* Section 1. AS 29.48.060 is amended to read:

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Sec. 29.48.060. PUBLIC UTILITIES RATES. The assembly acting for
the area outside cities and the council acting for the area within a
city may regulate, fix, establish and change, as it considers proper,
the rates and charges imposed for utilities services given to the muni-
cipality or its inhabitants by a municipally owned utility [PUBLIC
SERVICE ASSOCIATION, CORPORATION, OR INDIVIDUAL NOT REGULATED] under
AS 42.05 and may regulate and provide what is a reasonable deposit for
meters and security for service to be given, provided that interest is
[BE] paid on the deposit. All rates, charges and regulations shall be
reasonable and shall permit a fair and reasonable return on invested
capital.

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* Sec. 2. AS 42.05.121(a) is amended to read:

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(a) The commission may employ an executive director who shall have
had at least five years of experience in public utility management or
regulation, law, accounting, or an allied field. The executive director
is responsible for directing the administrative functions of the commis-
sion and carrying out the policies as set by the commission. [THE

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1 EXECUTIVE DIRECTOR MAY BE ONE OF THE COMMISSION MEMBERS.] The commis-
2 sion may employ engineers, hearing officers, experts, clerks, account-
3 ants, and other agents and assistants it considers necessary. The
4 executive director [, IF NOT A MEMBER OF THE COMMISSION,] and his deputy
5 are in the partially exempt service under AS 39.25.120. All other
6 employees and agents of the commission, other than legal counsel, are in
7 the classified service under AS 39.25.100. [THE COMBINED SALARY OF AN
8 EXECUTIVE DIRECTOR WHO IS A MEMBER OF THE COMMISSION MAY NOT EXCEED THAT
9 OF A SUPERIOR COURT JUDGE.]

10 * Sec. 3. AS 42.05.131 is amended by adding a new subsection to
11 read:

12 (b) A member or employee of the commission may not, for two years
13 after leaving his position as a member or employee of the commission,
14 act as agent or on behalf of a public utility in any matter before the
15 commission.

16 * Sec. 4. AS 42.05.321 is amended by adding a new subsection to read:

17 (b) This section and AS 42.05.311 apply to all utilities whether
18 or not they are exempt from other regulation under AS 42.05.711 or
19 42.05.713.

20 * Sec. 5. AS 42.05.391(a) is amended to read:

21 (a) A [NO] public utility may not, as to rates, grant an unreason-
22 able preference or advantage to any of its customers or subject a cus-
23 tomers to an unreasonable prejudice or disadvantage. A [NO] public
24 utility may not, establish or maintain an unreasonable difference as to
25 rates, either as between localities or between classes of service.
26 A municipally owned utility may offer uniform or identical rates for a
27 public utility service to customers located in different areas within
28 its certificated service area who receive the same class of service.

29 * Sec. 6. AS 42.05.421(a) is amended to read:

1 (a) When a tariff filing is made containing a new or revised rate,
2 classification, rule, regulation, practice, or condition of service the
3 commission may, either upon written complaint or upon its own motion,
4 after reasonable notice, conduct a hearing to determine the reasonable-
5 ness and propriety of the filing. Pending such a hearing the commission
6 may, by order stating the reasons for its action, suspend the operation
7 of the tariff filing for

8 (1) an initial period not longer than six months beyond the
9 time when it would otherwise go into effect if the annual gross revenues
10 of the utility making the filing are more than \$3,000,000; and

11 (2) not longer than 150 days if the annual gross revenues of
12 the utility making the filing are \$3,000,000 or less.

13 * Sec. 7. AS 42.05.711(b) is amended to read:

14 (b) Public utilities owned and operated by a political subdivision
15 of the state and none of whose utilities [, EXCEPTING THE FURNISHING OF
16 COLLECTION AND DISPOSAL SERVICE OF GARBAGE, REFUSE, TRASH OR OTHER WASTE
17 MATERIAL,] is in competition with any other utility, are exempt from the
18 provisions of this chapter, other than the provisions of AS 42.05.221 -
19 42.05.281, unless the owner and operator elects to be subject to all
20 provisions of this chapter [NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS
21 CHAPTER, MUNICIPALITIES PROVIDING COLLECTION AND DISPOSAL SERVICE OF
22 GARBAGE, REFUSE, TRASH OR OTHER WASTE MATERIAL WITHIN THEIR CORPORATE
23 BOUNDARIES ARE NOT SUBJECT TO REGULATION BY THE ALASKA PUBLIC UTILITIES
24 COMMISSION UNLESS THE MUNICIPALITY ELECTS TO BE SUBJECT TO THE PRO-
25 VISIONS OF THIS CHAPTER.]

26 * Sec. 8. AS 42.05.711(e) is amended to read:

27 (e) Notwithstanding any other provisions of this chapter, any
28 electric or telephone utility that does not gross \$50,000 [\$25,000]
29 annually is exempt from regulation under this chapter [HEREUNDER] unless

1 25 percent of the subscribers petition the commission for regulation.

2 * Sec. 9. AS 42.05.711 is amended by adding new subsections to read:

3 (f) Notwithstanding any other provisions of this chapter, an
4 electric or telephone utility that does not gross \$400,000 annually may
5 elect to be exempt from the provisions of this chapter other than AS 42.-
6 05.221 - 42.05.281 under the procedure described in AS 42.05.712.

7 (g) A utility, other than a telephone, electric, garbage, or cable
8 television utility, that does not gross \$100,000 annually may elect to
9 be exempt from the provisions of this chapter other than AS 42.05.221 -
10 42.05.281 under the procedure described in AS 42.05.712.

11 (h) A cooperative organized under AS 10.25 may elect to be exempt
12 from the provisions of this chapter, other than AS 42.05.221 - 42.05.281,
13 under the procedure described in AS 42.05.712.

14 (i) On June 30, 1981, a utility which furnishes collection and
15 disposal service of garbage, refuse, trash, or other waste material and
16 has gross revenues of \$400,000 or less is exempt from the provisions of
17 this chapter, other than the certification provisions of AS 42.05.221 -
18 42.05.281, unless 25 percent of the subscribers or subscribers represent-
19 ing 25 percent of the gross revenue of the utility petition the commis-
20 sion for regulation.

21 (j) After June 30, 1983, a refuse utility is exempt from the
22 provisions of this chapter.

23 * Sec. 10. AS 42.05 is amended by adding a new section to read:

24 Sec. 42.05.712. DEREGULATION BALLOT. (a) A utility or coopera-
25 tive which may elect to be exempt from the provisions of this chapter
26 shall poll its subscribers in the manner described in this section.

27 (b) The votes of a majority of those voting are required for a
28 utility or cooperative to elect exemption under (a) of this section.

29 (c) Each subscriber or member of the utility or cooperative shall

1 receive notice of an election under this section with his regular bill
2 for service at least 60 days before the date set for the election. The
3 notice shall contain impartial language informing the subscribers or
4 members that an election on the option of deregulation or regulation by
5 the Alaska Public Utilities Commission will be held within 60 days and
6 that a ballot to participate in that election will be mailed or delivered
7 to each subscriber or member of the utility or cooperative with his
8 regular bill for service. The notices shall also state that a subscriber
9 or member of the cooperative is entitled to vote in the election without
10 regard to whether his account with the utility or cooperative is current
11 and that the ballot must be postmarked or returned to the utility or
12 cooperative within 30 days after it was mailed or otherwise delivered to
13 the subscriber or member. The notice shall also announce the schedule
14 for one or more public meetings which shall provide an opportunity for
15 the subscribers or members to discuss this election. The public meeting
16 or meetings shall be held not more than 30 days before the ballots are
17 mailed or distributed to those eligible to vote. A cooperative may
18 satisfy this requirement by including a discussion of this election on
19 the agenda of an annual meeting if the annual meeting is scheduled to be
20 held not more than 30 days before the election.

21 (d) A ballot with return postage paid shall be mailed or delivered
22 to each subscriber or member of the utility or cooperative with his bill
23 for service and shall contain only the following language:

24 "Shall(name of utility or cooperative)
25 be exempt from regulation by the Alaska Public
26 Utilities Commission?
27 [] YES [] NO"

28 (e) During the 60 days immediately preceding an election under
29 this section a list of subscribers or members of the utility or cooper-

1 ative shall be made available at cost to any subscriber or member of the
2 utility or cooperative who requests one. The list shall be in the same
3 form that is available to the utility or cooperative.

4 (f) The board of directors of a utility or cooperative may call an
5 election under this section on its own initiative and shall call an
6 election upon receipt of a valid petition from its subscribers or
7 members. A petition shall be considered valid if it is signed by not
8 less than the number of subscribers or members equal to ten percent of
9 the first 5,000 subscribers or members and three percent of the sub-
10 scribers or members in excess of 5,000. An election under this section
11 may only be held once every two years.

12 (g) A utility or cooperative which is already exempt from regu-
13 lation under this section may elect to terminate its exemption in the
14 same manner.

15 * Sec. 11. AS 42.05 is amended by adding a new section to read:

16 Sec. 42.05.713. CABLE TELEVISION SYSTEMS. (a) Notwithstanding
17 other provisions of this chapter, a cable television system which (1) is
18 located in a service area in which cable television systems provide five
19 or more channels to a subscriber; (2) has a subscriber penetration ratio
20 of less than 70 percent and certifies that fact to the commission; and
21 (3) is located in a service area which has available two significantly
22 viewed commercial television stations or one significantly viewed com-
23 mercial television station and a public television station, shall be
24 exempt from the provisions of this chapter.

25 (b) Local television channels which are available without the use
26 of a community antenna system and are rebroadcast by cable television
27 systems may not be counted under (a)(1) of this section.

28 (c) In this section

29 (1) "cable television system" or "system" means a community

1 antenna television system which provides television service to paid
2 subscribers by means of cable;

3 (2) "earth station" means a structure or device used to
4 receive signals from a satellite;

5 (3) "public television station" means a station which offers
6 only programming designed to serve noncommercial educational, public or
7 instructional purposes, including service by translating systems licensed
8 by the Federal Communications Commission;

9 (4) "significantly viewed television station" means a station
10 which is viewed as described in 47 C.F.R. 76.5(k) and includes service
11 by translating systems licensed by the Federal Communications Commis-
12 sion;

13 (5) "subscriber penetration ratio" means the number of sub-
14 scribing residences divided by the total number of residences having
15 cable available.

16 * Sec 12. AS 44.66.010(a)(4) is amended to read:

17 (4) Alaska Public Utilities Commission (AS 42.05.010) --
18 June 30, 1984 [1980];

19 * Sec. 13. A cable television system which holds a certificate of public
20 convenience and necessity issued by the Alaska Public Utilities Commission
21 for its service area on or before the effective date of this Act must hold
22 that certificate for at least four years from the date of its issuance to be
23 eligible for the exemption under AS 42.05.713 enacted in sec. 10 of this Act.

24 * Sec. 14. AS 42.06.060 is repealed and re-enacted to read:

25 Sec. 42.06.060. QUALIFICATIONS OF COMMISSIONERS. All members
26 shall be citizens of the United States. One member shall be an attorney
27 admitted to practice law in the state. The remaining members shall be
28 appointed with regard to their fitness, education, and ability to
29 exercise the powers and perform the duties of the commission based upon

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their experience and familiarity with the principles of public utility regulation or their education or experience in engineering, transportation, law, business administration, economics, finance, or accounting. No member of the commission may hold any other state or federal office, position or employment, either elective or appointive, except as a member of the armed forces of the United States or of this state.

* Sec. 15. This Act takes effect June 30, 1980.