

Original sponsor: Commerce Committee

Offered: 6/5/80

1 IN THE SENATE

BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR SENATE BILL NO. 577

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act continuing the existence of the Alaska Public  
7 Utilities Commission and amending the statutes relating  
8 to its responsibilities and relating to municipal  
9 utilities; and providing for an effective date."

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

11 \* Section 1. AS 29.48.060 is amended to read:

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

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

24 (a) The commission may employ an executive director who shall have  
25 had at least five years of experience in public utility management or  
26 regulation, law, accounting, or an allied field. The executive director  
27 is responsible for directing the administrative functions of the commis-  
28 sion and carrying out the policies as set by the commission. [THE  
29 EXECUTIVE DIRECTOR MAY BE ONE OF THE COMMISSION MEMBERS.] The commis-

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

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

10 (b) A member or employee of the commission may not, after leaving  
11 his position as a member or employee of the commission, act as agent for  
12 or on behalf of a public utility in any matter before the commission  
13 that was before the commission during his employment or term of office.  
14 A violation of this subsection is a class A misdemeanor.

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

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

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

19 (a) A [NO] public utility may not, as to rates, grant an unreason-  
20 able preference or advantage to any of its customers or subject a cus-  
21 tommer to an unreasonable prejudice or disadvantage. A [NO] public  
22 utility may not, establish or maintain an unreasonable difference as to  
23 rates, either as between localities or between classes of service.  
24 A municipally owned utility may offer uniform or identical rates for a  
25 public utility service to customers located in different areas within  
26 its certificated service area who receive the same class of service.  
27 Any uniform or identical rate shall, upon complaint, be subject to re-  
28 view by the commission and may be set aside if shown to be unreasonable.

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 before an interim rate equal to  
12 the requested new rate goes into effect and not longer than one year  
13 before a permanent rate goes into effect if the annual gross revenues of  
14 the utility making the filing are \$3,000,000 or less.

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

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

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

29 (e) Notwithstanding any other provisions of this chapter, any

1 electric or telephone utility that does not gross \$50,000 [\$25,000]  
2 annually is exempt from regulation under this chapter [HEREUNDER] unless  
3 25 percent of the subscribers petition the commission for regulation.

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

5 (f) Notwithstanding any other provisions of this chapter, an  
6 electric or telephone utility that does not gross \$325,000 annually may  
7 elect to be exempt from the provisions of this chapter other than  
8 AS 42.05.221 - 42.05.281 under the procedure described in AS 42.05.712.

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

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

16 (i) Cable television systems are exempt from the provisions of  
17 this chapter, other than the provisions of AS 42.05.221 - 42.05.281,  
18 until July 1, 1983. This exemption does not apply in cities or villages  
19 which have a population of less than 3,500 people which are not located  
20 on a state road or marine highway.

21 (j) On June 30, 1980, a utility which furnishes collection and  
22 disposal service of garbage, refuse, trash, or other waste material and  
23 has gross revenues of \$200,000 or less is exempt from the provisions of  
24 this chapter, other than the certification provisions of AS 42.05.221 -  
25 42.05.281, unless 25 percent of the subscribers or subscribers represent-  
26 ing 25 percent of the gross revenue of the utility petition the com-  
27 mission for regulation.

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

29 Sec. 42.05.712. DEREGULATION BALLOT. (a) A utility or coopera-

1           tive which may elect to be exempt from the provisions of this chapter  
2 shall poll its subscribers in the manner described in this section.

3           (b) The votes of a majority of those voting in an election in  
4 which at least 15 percent of the eligible subscribers or members  
5 return ballots are required for a utility or cooperative to elect exemp-  
6 tion under (a) of this section.

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

28           (d) A ballot with return postage paid shall be mailed or delivered  
29 to each subscriber or member of the utility or cooperative with his bill

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for service and shall contain only the following language:

"Shall ..... (name of utility or cooperative)  
be exempt from regulation by the Alaska Public Utilities  
Commission?

[ ] YES [ ] NO"

(e) The results of an election under this section shall be certified by the commission within 60 days after the ballots are mailed or delivered to the subscribers or customers.

(f) During the 60 days immediately preceding an election under this section a list of subscribers or members of the utility or cooperative shall be made available at cost to any subscriber or member of the utility or cooperative who requests one. The list shall be in the same form that is available to the utility or cooperative.

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

(h) A utility or cooperative which is already exempt from regulation under this section may elect to terminate its exemption in the same manner.

\* Sec 11. AS 44.66.010(a)(4) is amended to read:

(4) Alaska Public Utilities Commission (AS 42.05.010) --  
June 30, 1985 [1980];

\* Sec. 12. AS 42.05.221(f) is repealed.

\* Sec. 13. The effects of the exemption of cable television systems from

1 rate regulation by the Alaska Public Utilities Commission provided in AS 42.-  
2 05.711(i) added by sec. 9 of this Act shall be reviewed by the legislature  
3 before July 1, 1983. If the legislature fails to extend the exemption before  
4 July 1, 1983, AS 42.05.711(i) is repealed on that date and cable television  
5 systems lose their statutory exempt status on that date and become subject to  
6 regulation by the Alaska Public Utilities Commission.

7 \* Sec. 14. This Act takes effect July 1, 1980.

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