

Original sponsors: Brown, Ellis,  
Davis, et al.

1 IN THE HOUSE

BY THE LABOR AND  
COMMERCE COMMITTEE

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CS FOR HOUSE BILL NO. 238 (L&C)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act requiring certain electric public utilities  
to prepare certain reports; and relating to costs in  
proceedings before the Alaska Public Utilities Com-  
mission."

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

11 \* Section 1. AS 42.05 is amended by adding new sections to read:

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Sec. 42.05.294. ADVANCE RESOURCE PLANS. (a) An electric utili-  
ty with annual sales that exceed 300,000,000 kilowatt hours shall file  
an advance resource plan with the commission on or before January 15,  
1989, and every four years thereafter. The plan shall

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(1) include a long-term demand forecast, including base,  
low, and high projections, that projects the power requirements for  
the utility service area;

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(2) list and describe the facilities and energy supply  
resources of the utility and project future requirements;

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(3) list the facilities that the utility expects to remove  
from service;

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(4) include an annual load duration curve and a forecast of  
anticipated peak loads and reserve margins for the residential, com-  
mercial, and industrial sectors;

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(5) describe the projected population growth or decline,  
urban development, industrial expansion, and other factors influencing  
demand for electrical energy and describe the bases for the projec-  
tions;

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1           (6) describe additional system capacity that could be  
2 achieved by improvements in generating or transmission efficiency,  
3 load management, power pooling, interconnection of qualifying co-  
4 generation and small power producers, conservation, and reductions in  
5 demand through end-use efficiency improvements;

6           (7) describe the utility's relationship to other utilities  
7 and to regional associations, power pools, or networks;

8           (8) summarize the relevant load management efforts, load  
9 research, and energy end-use analysis efforts made by the utility  
10 under AS 42.05.415;

11           (9) recommend an electrical energy resource supply plan  
12 that identifies projected plant retirement, development of additional  
13 generating capacity and transmission systems, load management efforts,  
14 conservation, and cost-effective end-use efficiency improvements, and  
15 include a proposal for implementation of the plan; and

16           (10) include other information considered necessary by the  
17 commission to ensure adequate consideration of all supply-side and  
18 demand-side alternatives.

19           (b) A forecast or projection required under (a) of this section  
20 must be for the next 20 years.

21           (c) The commission shall establish by regulation a consistent  
22 reporting methodology for advance resource plans required under (a) of  
23 this section and shall encourage closely integrated utilities to  
24 prepare the plans jointly.

25           (d) The commission shall review each advance resource plan and  
26 may propose modifications to the plan. The commission shall hold a  
27 public hearing before approving or proposing modifications to a  
28 utility's plan. The commission shall approve the plan if it finds  
29 that the plan adequately addresses conserving electrical energy supply

1 resources through available cost-effective end-use efficiency improve-  
2 ments.

3 Sec. 42.05.296. PERMITS FOR CERTAIN ELECTRICAL UTILITY CONSTRUC-  
4 TION. (a) An electric utility with annual sales that exceed  
5 300,000,000 kilowatt hours may not construct or expand a plant or  
6 transmission system to increase its capacity by more than five mega-  
7 watts unless the utility has obtained a permit from the commission.

8 (b) The commission may not issue a permit unless it finds that  
9 the project is necessary to meet future demand that cannot be met by  
10 cost-effective load management alternatives, including conservation  
11 and energy end-use efficiency improvements.

12 \* Sec. 2. AS 42.05.411 is amended by adding a new subsection to read:

13 (d) The commission may not allow a rate revision to take effect  
14 for an electrical utility subject to AS 42.05.415 unless the commis-  
15 sion determines that the new rate is consistent with the development  
16 or maintenance of the lowest cost electrical energy supply system for  
17 the utility under the utility's most recent load management report.

18 \* Sec. 3. AS 42.05 is amended by adding a new section to read:

19 Sec. 42.05.415. LOAD MANAGEMENT REPORT. (a) An electric utili-  
20 ty with annual sales that exceed 300,000,000 kilowatt hours shall file  
21 a load management report with the commission on or before October 1,  
22 each even-numbered year. The commission shall establish guidelines  
23 for the report by regulation. The report shall

24 (1) identify the cost of service for specific classes of  
25 customers;

26 (2) assess the opportunities for improved load management;

27 (3) evaluate the potential for reducing system costs by  
28 reducing demand as a result of end-use efficiency improvements;

29 (4) document the current load and the load projected for

1 the next 10 years;

2 (5) analyze energy end-use in the utility service area and  
3 identify as precisely as possible the final, physical use of elec-  
4 tricity in the residential, commercial, and industrial sectors, in-  
5 cluding use within each sector for space heating and cooling, light-  
6 ing, water heating, refrigeration, office appliances, and shaft power;

7 (6) review current and anticipated load research activi-  
8 ties; and

9 (7) analyze opportunities to lower total utility system  
10 costs through improved generation and transmission efficiencies,  
11 including innovative rate designs, increased load factors, reduced  
12 demand, and deferral of additional capacity requirements.

13 (b) The commission shall assist the utilities to coordinate  
14 preparation of the report to minimize cost.

15 \* Sec. 4. AS 42.05.651(a) is amended to read:

16 (a) After completion of a hearing or investigation held under  
17 this chapter, the commission shall allocate the costs of the hearing  
18 or investigation among the parties, including the commission, as is  
19 just under the circumstances. In allocating costs, the commission may  
20 consider the results, ability to pay, evidence of good faith, other  
21 relevant factors and mitigating circumstances. The costs allocated  
22 may include the costs of any time devoted to the investigation or  
23 hearing by hired consultants, whether or not the consultants appear as  
24 witnesses or participants. The costs allocated may also include costs  
25 paid by the commission under (c) of this section and any out-of-pocket  
26 expenses incurred by the commission in the particular meeting. The  
27 commission shall provide an opportunity for any person objecting to an  
28 allocation to be heard before the allocation becomes final.

29 \* Sec. 5. AS 42.05.651 is amended by adding a new subsection to read:

1           (c) During a proceeding or investigation under this chapter, the  
2           commission may compensate an interested person who is not a public  
3           utility for some or all of the reasonable costs of participating if  
4           the compensation is necessary to enable the interested person to  
5           adequately participate and if the participation is necessary to ade-  
6           quately present a significant position in which the person has a  
7           substantial interest. After completion of a hearing or investigation  
8           under this chapter, the commission may compensate an interested person  
9           who is not a public utility for some or all of the reasonable costs of  
10          participation in the proceeding or investigation if the commission  
11          finds that the participation was significant and has caused a substan-  
12          tial financial hardship to the interested person.