

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 356

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the authority of the Alaska
7 Public Utilities Commission in connection with cer-
8 tain activities of the Alaska Power Authority and in
9 connection with calculating power cost equalization;
10 and providing for an effective date."

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

12 * Section 1. AS 42.05.431 is amended by adding a new subsection to
13 read:

14 (c) Notwithstanding (b) of this section,

15 (1) a wholesale agreement for the sale of power from a
16 project licensed by the Federal Energy Regulatory Commission on or
17 before January 1, 1987, entered into between the Alaska Power Authori-
18 ty and one or more other public utilities after October 31, 1987 and
19 before January 1, 1988, and related contracts for the wheeling, stor-
20 age, regeneration, or wholesale repurchase of power purchased under
21 such an agreement, and any subsequent amendments to the wholesale
22 agreement or related contract, are not subject to review or approval
23 by the commission; and

24 (2) a wholesale agreement or related contract described in
25 (1) of this subsection may contain a covenant for the public utility
26 to establish, charge, and collect rates sufficient to meet its obliga-
27 tions under the contract; such a covenant is valid and enforceable.

28 * Sec. 2. AS 42.05.511 is amended by adding a new subsection to read:

29 (d) All costs incurred by a utility in connection with a

1 wholesale agreement or contract described in AS 42.05.431(c)(1),
2 including, without limitation, power and other costs incurred under
3 such an agreement or contract, must be allowed in the rates charged by
4 the utility.

5 * Sec. 3. AS 44.83.090(b) is amended to read:

6 (b) The authority is not subject to the jurisdiction of the
7 Alaska Public Utilities Commission. Nothing in this chapter [AS 44.-
8 83.010 - 44.83.425] grants the authority any jurisdiction over the
9 services or rates of any public utility or diminishes or otherwise
10 alters the jurisdiction of the Alaska Public Utilities Commission with
11 respect to any public utility, including any right the commission may
12 have to review and approve or disapprove contracts for the purchase of
13 electricity by a public utility other than wholesale agreements and
14 contracts described in AS 42.05.431(c)(1).

15 * Sec. 4. AS 44.83.162 is amended by adding a new subsection to read:

16 (p) In calculating power cost equalization, the commission may
17 not consider validated costs or kilowatt-hour sales associated with a
18 United States Department of Defense facility.

19 * Sec. 5. This Act is retroactive to November 1, 1987.

20 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).