

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 356 (Judiciary)

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, and related contracts for the wheeling, stor-
18 age, regeneration, or wholesale repurchase of power purchased under
19 the agreement, entered into between the Alaska Power Authority and one
20 or more other public utilities after October 31, 1987, and before
21 January 1, 1988, and amendments to the wholesale agreement or related
22 contract, are not subject to review or approval by the commission
23 until all long-term debt incurred for the project is retired; 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; the rate covenant is valid and enforceable.

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

29 (d) Validated costs, except those disallowed under

1 AS 42.05.381(a), incurred by a utility in connection with the related
2 contracts described in AS 42.05.431(c)(1), must be allowed in the
3 rates charged by the utility.

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

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

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

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

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

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