

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE RESOURCES COMMITTEE
2 SENATE CS FOR CS FOR HOUSE BILL NO. 356 (Resources)
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, cer-
9 tain agreements among certain public utilities, and
10 calculating power cost equalization; relating to
11 certain meetings between the Alaska Power Authority
12 and public utilities; and providing for an effective
13 date."
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
15 * Section 1. AS 42.05.431 is amended by adding new subsections to read:
16 (c) Notwithstanding (b) of this section,
17 (1) a wholesale agreement for the sale of power from a
18 project licensed by the Federal Energy Regulatory Commission on or
19 before January 1, 1987, and related contracts for the wheeling, stor-
20 age, regeneration, or wholesale repurchase of power purchased under
21 the agreement, entered into between the Alaska Power Authority and one
22 or more other public utilities or among the utilities after Octo-
23 ber 31, 1987, and before January 1, 1988, and amendments to the whole-
24 sale agreement or related contract, are not subject to review or
25 approval by the commission until all long-term debt incurred for the
26 project is retired; and
27 (2) a wholesale agreement or related contract described in
28 (1) of this subsection may contain a covenant for the public utility
29 to establish, charge, and collect rates sufficient to meet its

1 obligations under the contract; the rate covenant is valid and en-
2 forceable.

3 (d) Meetings between the Alaska Power Authority and public
4 utilities concerning a wholesale agreement for the sale of power or
5 other matter exempted from review of the commission under (c) of this
6 section must comply with AS 44.62.310.

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

8 (d) Validated costs incurred by a utility in connection with the
9 related contracts described in AS 42.05.431(c)(1) must be allowed in
10 the rates charged by the utility. In this subsection, "validated
11 costs" are the actual costs that a utility uses, under the formula set
12 out in related contracts described in AS 42.05.431(c), to establish
13 rates, charges for services and rights, and the payment of charges for
14 services and rights. This subsection does not grant the commission
15 jurisdiction to alter or amend the formula set out in those related
16 contracts.

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

18 (b) The authority is not subject to the jurisdiction of the
19 Alaska Public Utilities Commission. Nothing in this chapter [AS 44.-
20 83.010 - 44.83.425] grants the authority [ANY] jurisdiction over the
21 services or rates of a [ANY] public utility or diminishes or otherwise
22 alters the jurisdiction of the Alaska Public Utilities Commission with
23 respect to a [ANY] public utility, including any right the commission
24 may have to review and approve or disapprove contracts for the pur-
25 chase of electricity by a public utility other than wholesale agree-
26 ments and contracts described in AS 42.05.431(c)(1).

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

28 (p) In calculating power cost equalization, the commission may
29 not consider validated costs or kilowatt-hour sales associated with a

1 United States Department of Defense facility.

2 * Sec. 5. This Act, except for AS 42.05.431(d), enacted by sec. 1 of
3 this Act, is retroactive to November 1, 1987.

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