

Offered: 4/21/87
Referred: Rules

5-0101X

Original sponsor: Coghill

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 22 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act exempting certain telephone and electric
7 utilities and certain transactions from regulation by
8 the Alaska Public Utilities Commission; restricting
9 the authority of the Alaska Public Utilities Commis-
10 sion in considering certain costs in connection with
11 rates charged by a utility and with calculating power
12 cost equalization; 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(b) is amended to read:

16 (b) Except as provided in (c) of this section, a [A] wholesale
17 power agreement between public utilities is subject to advance ap-
18 proval of the commission. After a wholesale power agreement is in
19 effect, the commission may not invalidate any purchase or sale obliga-
20 tion under the agreement. However, if the commission finds that rates
21 set in accordance with the agreement are not just and reasonable, the
22 commission may order the parties to negotiate an amendment to the
23 agreement and if the parties fail to agree, to use the dispute resolu-
24 tion procedures contained in the contract.

25 * Sec. 2. AS 42.05.431 is amended by adding a new subsection to read:

26 (c) A wholesale agreement for the sale of power between the
27 Alaska Power Authority and a public utility is not subject to review
28 or approval by the commission.

29 * Sec. 3. AS 42.05.511 is amended by adding a new subsection to read:

1 (d) All costs incurred by a utility in connection with a con-
2 tract with the Alaska Power Authority, including power costs, wheeling
3 charges for facilities owned or leased by the state, and overhead
4 costs associated with the contract, are considered prudent and are
5 allowed in the rates charged by the utility.

6 * Sec. 4. AS 42.05.711(e) is amended to read:

7 (e) Notwithstanding any other provisions of this chapter, an
8 [ANY] electric or telephone utility that does not gross \$50,000 an-
9 nually or that has fewer than 500 subscribers is exempt from regu-
10 lation under this chapter unless 25 percent of the subscribers peti-
11 tion the commission for regulation. The commission may not combine
12 the revenue or subscribers of different utilities owned by the same
13 company when determining whether a utility is exempt under this sub-
14 section.

15 * Sec. 5. AS 42.05.711 is amended by adding a new subsection to read:

16 (m) The Alaska Power Authority is not a public utility under
17 this chapter.

18 * Sec. 6. AS 44.83.090(b) is amended to read:

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

28 * Sec. 7. AS 44.83.162 is amended by adding a new subsection to read:

29 (p) In calculating power cost equalization, the commission may

1 not consider costs or kilowatt-hour sales associated with a United
2 States Department of Defense facility.

3 * Sec. 8. Sections 1, 2, and 5 - 7 of this Act are retroactive to
4 June 7, 1986.

5 * Sec. 9. This Act takes effect immediately under AS 01.10.070(c).