

Offered: 5/15/87  
Referred: Finance

5-0101T

Original sponsor: Coghill

1 IN THE SENATE BY THE JUDICIARY COMMITTEE  
2 HOUSE CS FOR CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 22 (Judiciary)  
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 from a project licensed  
28 for construction by the Federal Energy Regulatory Commission on or  
29 before January 1, 1987, is not subject to review or approval by the

1 commission.

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

3 (d) Power costs incurred by a utility in connection with a con-  
4 tract with the Alaska Power Authority that is exempted from commission  
5 review under AS 42.05.431(c) shall be allowed in the rates charged by  
6 the utility.

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

8 (e) Notwithstanding any other provisions of this chapter, an  
9 [ANY] electric or telephone utility that does not gross \$50,000 an-  
10 nually or that has fewer than 250 retail subscribers is exempt from  
11 regulation under this chapter unless 25 percent of the subscribers  
12 petition the commission for regulation. The commission may not com-  
13 bine the revenue or subscribers of an electric and a telephone utility  
14 owned by the same company when determining whether a utility is exempt  
15 under this subsection.

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

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

26 \* Sec. 6. AS 44.83.162 is amended by adding a new subsection to read:

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

- 1     \* Sec. 7. Sections 1, 2, 5, and 6 of this Act are retroactive to
- 2     June 7, 1986.
- 3     \* Sec. 8. This Act takes effect immediately under AS 01.10.070(c).