

HOUSE BILL NO. 286
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES IVAN, Jacko

Introduced: 4/17/91

Referred: Community & Regional Affairs, Labor & Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to regulation of local exchange telephone utilities; and providing for an
2 effective date."

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

4 * Section 1. AS 29.35.070(a) is amended to read:

5 (a) The assembly acting for the area outside all cities in the borough and the council
6 acting for the area in a city may regulate, fix, establish, and change the rates and charges
7 imposed for a utility service provided to the municipality or its inhabitants by a utility that is not
8 subject to regulation under AS 42.05 unless that utility is exempted from regulation under
9 AS 42.05.711 [AS 42.05.711(a) OR (d) - (k)] or is exempted under regulations adopted under
10 AS 42.05.810 from complying with all or part of AS 42.05.010 - 42.05.721. **However, the**
11 **assembly or council may regulate a utility that is exempted under AS 42.05.711(b), (c), or**
12 **(m).**

13 * Sec. 2. AS 42.05.381 is amended by adding a new subsection to read:

14 (f) A local exchange telephone utility may adjust its rates in conformance with changes

1 in jurisdictional cost allocation factors required by either the Federal Communications
2 Commission or the Alaska Public Utilities Commission upon a showing of

3 (1) the order requiring the change in allocation factors;

4 (2) the aggregate shift in revenue requirement, segregated by service classes or
5 categories, caused by the change in allocation factors; and

6 (3) the rate adjustment required to conform to the required shift in revenue
7 requirement.

8 * Sec. 3. AS 42.05 is amended by adding a new section to read:

9 Sec. 42.05.383. LOCAL EXCHANGE TELEPHONE UTILITY RATE CHANGES. (a)

10 No more than once in a 12-month period, a local exchange telephone utility may adjust its
11 monthly recurring local exchange rates and local private line rates by increasing the rates no
12 more than eight percent or decreasing the rates no more than eight percent. The telephone utility
13 shall publish notice of the change, as required by regulations adopted by the commission, at least
14 60 days before the date of the change. The notice must include

15 (1) the reasons for the rate change;

16 (2) a description of the affected service; and

17 (3) an explanation of the right of a subscriber to petition the commission for a
18 hearing on the rate change.

19 (b) At least 60 days before the date of the rate change, the local exchange telephone
20 utility shall file with the commission a statement of intent to change rates containing

21 (1) a copy of the notice required by (a) of this section;

22 (2) the date of the most recent previous rate change made by the telephone utility;

23 and

24 (3) the increase in total gross annual local revenue expected to be produced by the
25 proposed rates.

26 (c) The commission may require a local exchange telephone utility that proposes to
27 change rates under this section to provide additional notice to subscribers of the utility as the
28 commission considers appropriate. If the commission receives a petition or individual written
29 requests from at least five percent of the subscribers of a local exchange telephone utility
30 proposing a rate change under this section within 60 days after the notice was given to the
31 subscribers, the commission shall review the proposed rate change. After notice to the local

1 exchange telephone utility, the commission may suspend the rates during the pendency of the
2 review and may reinstate the rates previously in effect.

3 * Sec. 4. AS 42.05.711(l) is amended to read:

4 (l) A person, utility, or cooperative that is exempt from regulation under [(a) OR (d) -
5 (k) OF] this section other than (b), (c), or (m) of this section is not subject to regulation by a
6 municipality under AS 29.35.060 and 29.35.070.

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

8 (n) Notwithstanding any other provisions of this chapter, a local exchange telephone
9 utility serving fewer than 2,500 access lines is exempt from the provisions of this chapter other
10 than AS 42.05.221 - 42.05.281 unless the utility or five percent of its subscribers petition the
11 commission for regulation.

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