

**CS FOR HOUSE BILL NO. 286 (L&C)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**SEVENTEENTH LEGISLATURE - FIRST SESSION**

**BY THE HOUSE LABOR AND COMMERCE COMMITTEE**

**Offered: 5/13/91**  
**Referred: Finance**

**Sponsor(s): REPRESENTATIVES IVAN, Jacko, Zawacki**

**A BILL**

**FOR AN ACT ENTITLED**

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

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

4 \* **Section 1.** AS 42.05.381 is amended by adding a new subsection to read:

5 (f) A local exchange telephone utility may adjust its rates in conformance with changes  
6 in jurisdictional cost allocation factors required by either the Federal Communications  
7 Commission or the Alaska Public Utilities Commission upon a showing of

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

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

11 (3) the rate adjustment required to conform to the required shift in local revenue  
12 requirement.

13 \* **Sec. 2.** AS 42.05 is amended by adding a new section to read:

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

1 No more than once in a 12-month period, a local exchange telephone utility may adjust its  
2 monthly recurring local exchange rates and local private line rates by changing the rates no more  
3 than eight percent. The telephone utility shall publish notice of the change, as required by  
4 regulations adopted by the commission, at least 60 days before the date of the change. The  
5 notice must include

- 6 (1) the reasons for the rate change;  
7 (2) a description of the affected service; and  
8 (3) an explanation of the right of a subscriber to petition the commission for a  
9 hearing on the rate change.

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

- 12 (1) a copy of the notice required by (a) of this section;  
13 (2) the date of the most recent previous rate change made by the telephone utility;  
14 and

15 (3) the change in total gross annual local revenue expected to be produced by the  
16 proposed rates.

17 (c) The commission may require a local exchange telephone utility that proposes to  
18 change rates under this section to provide additional notice to subscribers of the utility as the  
19 commission considers appropriate. The subscribers may petition the commission to review the  
20 proposed rate change. If the commission accepts the petition to review the rate change, the  
21 commission may suspend the rates during the pendency of the review and reinstate the rates  
22 previously in effect. The commission shall review a proposed rate change if, within 60 days after  
23 the latest notice required by the commission was given to the subscribers, the commission  
24 receives a petition or individual written requests from the subscribers of a local exchange  
25 telephone utility that total

- 26 (1) five percent of the subscribers of a telephone utility that serves fewer than  
27 15,000 access lines;  
28 (2) four percent of the subscribers of a telephone utility that serves at least 15,000  
29 but fewer than 35,000 access lines;  
30 (3) three percent of the subscribers of a telephone utility that serves at least  
31 35,000 access lines.

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