

HOUSE BILL NO. 539

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Introduced: 3/23/94

Referred: Labor & Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act extending the Alaska Public Utilities Commission; and relating to
2 regulation of public utilities and to regulatory cost charges."

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

4 * Section 1. AS 42.05.253(a) is amended to read:

5 (a) A regulated public utility operating in the state shall pay to the commission
6 an annual regulatory cost charge in an amount not to exceed 8 [.61] percent of gross
7 revenue derived from operations in the state, as modified under (c) of this section if
8 appropriate. An exempt utility shall pay the actual cost of services provided to it by
9 the commission.

10 * Sec. 2. AS 42.05.253(c) is amended to read:

11 (c) In determining the amount of the regulatory cost charge imposed under (a)
12 of this section,

13 (1) a utility selling utility services at wholesale shall modify its gross
14 revenue by deducting payments it receives for wholesale sales;

1 (2) a local exchange telephone utility shall modify its gross revenue by
2 deducting payments received from other carriers for settlements or access charges;

3 (3) an electric utility shall reduce its gross revenue by subtracting
4 the cost of power; in this paragraph, "cost of power" means the costs of
5 generation and purchased power reported to the commission.

6 * Sec. 3. AS 42.05.253(e) is amended to read:

7 (e) The commission shall administer the charge imposed under this section.
8 The Department of Revenue shall collect and enforce the charge imposed under this
9 section. The Department of Revenue shall identify the amount of the operating
10 budget of the commission that lapses into the general fund each year. The
11 legislature may appropriate an amount equal to the lapsed amount to the
12 commission for its operating costs for the next fiscal year. If the legislature does
13 so, the commission shall reduce the total regulatory cost charge collected for that
14 fiscal year by a comparable amount.

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

16 (e) Notwithstanding any other provisions of this chapter, any electric or
17 telephone utility that does not gross \$50,000 annually is exempt from regulation under
18 this chapter unless [25 PERCENT OF] the subscribers petition the commission for
19 regulation under AS 42.05.712(h).

20 * Sec. 5. AS 42.05.711(f) is amended to read:

21 (f) Notwithstanding any other provisions of this chapter, an electric or
22 telephone utility that does not gross \$500,000 [~~\$325,000~~] annually may elect to be
23 exempt from the provisions of this chapter other than AS 42.05.221 - 42.05.281 under
24 the procedure described in AS 42.05.712.

25 * Sec. 6. AS 42.05.711(g) is amended to read:

26 (g) A utility, other than a telephone or electric utility, that does not gross
27 \$150,000 [~~\$100,000~~] annually may elect to be exempt from the provisions of this
28 chapter other than AS 42.05.221 - 42.05.281 under the procedure described in
29 AS 42.05.712.

30 * Sec. 7. AS 42.05.711(i) is amended to read:

31 (i) A utility that [WHICH] furnishes collection and disposal service of

1 garbage, refuse, trash, or other waste material and has annual gross revenues of
2 \$300,000 [~~\$200,000~~] or less is exempt from the provisions of this chapter, other than
3 the certification provisions of AS 42.05.221 - 42.05.281, unless [25 PERCENT OF]
4 the subscribers [OR SUBSCRIBERS REPRESENTING 25 PERCENT OF THE
5 GROSS REVENUE OF THE UTILITY] petition the commission for regulation under
6 AS 42.05.712(h). Notwithstanding AS 42.05.712(b) and (g), if subscribers
7 representing 25 percent of the gross revenue of the utility petition the commission
8 for regulation, the utility is subject to the provisions of this chapter.

9 * Sec. 8. AS 42.05.711(k) is amended to read:

10 (k) A utility that [WHICH] furnishes cable television service is exempt from
11 the provisions of this chapter other than AS 42.05.221 - 42.05.281 [,] unless [25
12 PERCENT OF] the subscribers petition the commission for regulation under
13 AS 42.05.712(h).

14 * Sec. 9. AS 42.05.712(h) is amended to read:

15 (h) A utility or cooperative that is already exempt from regulation under this
16 section or that is exempt from regulation under AS 42.05.711(e), (i), or (k) may
17 elect to terminate its exemption in the same manner.

18 * Sec. 10. AS 42.06.285(a) is amended to read:

19 (a) A pipeline carrier operating in the state shall pay to the commission an
20 annual regulatory cost charge in an amount not to exceed .8 [.61] percent of gross
21 revenue derived from operations in the state. A regulatory cost charge may not be
22 assessed on pipeline carrier operations unless the operations are within the jurisdiction
23 of the commission.

24 * Sec. 11. AS 42.06.285(c) is amended to read:

25 (c) The commission shall administer the charge imposed under this section.
26 The Department of Revenue shall collect and enforce the charge imposed under this
27 section. The Department of Revenue shall identify the amount of the operating
28 budget of the commission that lapses into the general fund each year. The
29 legislature may appropriate an amount equal to the lapsed amount to the
30 commission for its operating costs for the next fiscal year. If the legislature does
31 so, the commission shall reduce the total regulatory cost charge collected for that

1 fiscal year by a comparable amount.

2 * Sec. 12. AS 44.66.010(a)(4) is amended to read:

3 (4) Alaska Public Utilities Commission (AS 42.05.010) -- June 30,
4 1998 [1994];

5 * Sec. 13. REPEAL OF SUNSET OF REGULATORY COST CHARGES. Sections 22,
6 26, 36, and 38, ch. 2, FSSLA 1992, are repealed.

7 * Sec. 14. APUC STAGGERED TERMS. Notwithstanding AS 42.05.030(a), after the
8 expiration in 1999 of the term of the member of the Alaska Public Utilities Commission with
9 a major in engineering, the vacancy shall next be filled for a term of four years in order to
10 adjust the staggering of the terms of the members of the commission so that no more than one
11 commission member's term expires each year.