

CS FOR HOUSE BILL NO. 539(L&C)**IN THE LEGISLATURE OF THE STATE OF ALASKA****EIGHTEENTH LEGISLATURE - SECOND SESSION****BY THE HOUSE LABOR AND COMMERCE COMMITTEE****Offered: 4/8/94****Referred: Finance****Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE****A BILL****FOR AN ACT ENTITLED**

1 "An Act extending and relating to the Alaska Public Utilities Commission; and
2 relating to regulation of public utilities and to regulatory cost charges; and
3 providing for an effective date."

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

5 * Section 1. AS 36.30.850(b) is amended by adding a new paragraph to read:

6 (33) contracts for professional services or testimony related to
7 proceedings before the Alaska Public Utilities Commission, including the commission's
8 procurement of temporary legal counsel under AS 42.05.111(b).

9 * Sec. 2. AS 42.05.141(a) is amended to read:

10 (a) The Alaska Public Utilities Commission may

11 (1) regulate every public utility engaged or proposing to engage in a
12 utility [SUCH A] business inside the state, except to the extent exempted by
13 AS 42.05.711; [, AND] the powers of the commission shall be those specifically
14 conferred by statute or necessarily implied by a statutory grant of authority

1 **[LIBERALLY CONSTRUED TO ACCOMPLISH ITS STATED PURPOSES];**

2 (2) investigate, upon complaint or upon its own motion, the rates,
3 classifications, rules, regulations, practices, services, and facilities of a public utility
4 and hold hearings on them;

5 (3) make or require just, fair, and reasonable rates, classifications,
6 regulations, practices, services, and facilities for a public utility;

7 (4) prescribe the system of accounts and regulate the service and safety
8 of operations of a public utility;

9 (5) require a public utility to file reports and other information and
10 data;

11 (6) appear personally or by counsel and represent the interests and
12 welfare of the state in all matters and proceedings involving a public utility pending
13 before an officer, department, board, commission, or court of the state or of another
14 state or the United States and to intervene in, protest, resist, or advocate the granting,
15 denial, or modification of any petition, application, complaint, or other proceeding;

16 (7) examine witnesses and offer evidence in any proceeding affecting
17 the state and initiate or participate in judicial proceedings to the extent necessary to
18 protect and promote the interests of the state.

19 * Sec. 3. AS 42.05.253(a) is amended to read:

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

25 * Sec. 4. AS 42.05.253(c) is amended to read:

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

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

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

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

4 **(4) a cable television utility shall include in gross revenue only**
5 **revenue attributable to services that the commission has authority to regulate**
6 **under this chapter.**

7 * Sec. 5. AS 42.05.253(e) is amended to read:

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

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

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

21 * Sec. 7. AS 42.05.711(f) is amended to read:

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

26 * Sec. 8. AS 42.05.711(g) is amended to read:

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

31 * Sec. 9. AS 42.05.711(i) is amended to read:

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

10 * Sec. 10. AS 42.05.711(k) is amended to read:

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

15 * Sec. 11. AS 42.05.712(h) is amended to read:

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

19 * Sec. 12. AS 42.06.285(a) is amended to read:

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

25 * Sec. 13. AS 42.06.285(c) is amended to read:

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

