

CS FOR SENATE BILL NO. 213(JUD)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered: 4/11/94  
Referred: Finance

Sponsor(s): SENATE LABOR AND COMMERCE COMMITTEE

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; and providing for an  
3 effective date."

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

5 \* Section 1. AS 42.05.141(a) is amended to read:

6 (a) The Alaska Public Utilities Commission may

7 (1) regulate every public utility engaged or proposing to engage in a  
8 utility [SUCH A] business inside the state, except to the extent exempted by  
9 AS 42.05.711; [, AND] the powers of the commission shall be those specifically  
10 conferred by statute or necessarily implied by a statutory grant of authority  
11 [LIBERALLY CONSTRUED TO ACCOMPLISH ITS STATED PURPOSES];

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

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

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

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

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

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

15 \* Sec. 2. AS 42.05.253(a) is amended to read:

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

21 \* Sec. 3. AS 42.05.253(c) is amended to read:

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

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

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

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

31 \* Sec. 4. AS 42.05.253(e) is amended to read:

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

9 \* Sec. 5. AS 42.05.711(e) is amended to read:

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

14 \* Sec. 6. AS 42.05.711(f) is amended to read:

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

19 \* Sec. 7. AS 42.05.711(g) is amended to read:

20 (g) A utility, other than a telephone or electric utility, that does not gross  
21 \$150,000 [\$100,000] annually may elect to be exempt from the provisions of this  
22 chapter other than AS 42.05.221 - 42.05.281 under the procedure described in  
23 AS 42.05.712.

24 \* Sec. 8. AS 42.05.711(i) is amended to read:

25 (i) A utility that [WHICH] furnishes collection and disposal service of  
26 garbage, refuse, trash, or other waste material and has annual gross revenues of  
27 \$300,000 [\$200,000] or less is exempt from the provisions of this chapter, other than  
28 the certification provisions of AS 42.05.221 - 42.05.281, unless [25 PERCENT OF]  
29 the subscribers [OR SUBSCRIBERS REPRESENTING 25 PERCENT OF THE  
30 GROSS REVENUE OF THE UTILITY] petition the commission for regulation under  
31 AS 42.05.712(h). Notwithstanding AS 42.05.712(b) and (g), if subscribers

1 representing 25 percent of the gross revenue of the utility petition the commission  
2 for regulation, the utility is subject to the provisions of this chapter.

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

4 (k) A utility that [WHICH] furnishes cable television service may elect to be  
5 [IS] exempt from the provisions of this chapter other than AS 42.05.221 - 42.05.281  
6 under the procedure described in AS 42.05.712 [, UNLESS 25 PERCENT OF THE  
7 SUBSCRIBERS PETITION THE COMMISSION FOR REGULATION].

8 \* Sec. 10. AS 42.05.712(h) is amended to read:

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

12 \* Sec. 11. AS 42.06.285(a) is amended to read:

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

18 \* Sec. 12. AS 42.06.285(c) is amended to read:

19 (c) The commission shall administer the charge imposed under this section.  
20 The Department of Revenue shall collect and enforce the charge imposed under this  
21 section. The Department of Administration shall identify the amount of the  
22 operating budget of the commission that lapses into the general fund each year.  
23 The legislature may appropriate an amount equal to the lapsed amount to the  
24 commission for its operating costs for the next fiscal year. If the legislature does  
25 so, the commission shall reduce the total regulatory cost charge collected for that  
26 fiscal year by a comparable amount.

27 \* Sec. 13. AS 44.66.010(a)(4) is amended to read:

28 (4) Alaska Public Utilities Commission (AS 42.05.010) -- June 30,  
29 1998 [1994];

30 \* Sec. 14. REPEAL OF SUNSET OF REGULATORY COST CHARGES. Sections 22,  
31 26, 36, and 38, ch. 2, FSSLA 1992, are repealed.

1     \* **Sec. 15. APUC STAGGERED TERMS.** Notwithstanding AS 42.05.030(a), after the  
2 expiration in 1999 of the term of the member of the Alaska Public Utilities Commission with  
3 a major or experience in engineering, the vacancy shall next be filled for a term of four years  
4 in order to adjust the staggering of the terms of the members of the commission so that no  
5 more than one commission member's term expires each year.

6     \* **Sec. 16. APPLICATION TO ONGOING PROCEEDINGS.** The amendment to  
7 AS 42.05.141(a), made by sec. 1 of this Act, applies to proceedings begun on or after the  
8 effective date of sec. 1 of this Act.

9     \* **Sec. 17.** Section 1 of this Act takes effect July 1, 1995.

10    \* **Sec. 18.** Except as provided in sec. 16, this Act takes effect July 1, 1994.