

CONFIRMATION

HEARING

SUSAN KNOWLES

(AIPUC)

MEMORANDUM

State of Alaska

TO: Susan M. Knowles, Commissioner
Alaska Public Utilities
Commission
Anchorage

DATE: April 7, 1982

FILE NO:

TELEPHONE NO:

FROM: WILSON L. CONDON
ATTORNEY GENERAL
By:

SUBJECT: Questions Raised
During Confirmation
Hearing Concerning
Conflict of Interest

Elisabeth H. Ross *EHK*
Assistant Attorney General
Anchorage - AGO

At your request, I am providing this legal analysis for the record in your confirmation hearing in response to the legal memoranda provided to the Judiciary Committee.

Summary

During Susan Knowles' confirmation hearing conducted on April 1, 1982, counsel for the House Judiciary Committee questioned her participation in cases involving the utilities owned by the Municipality of Anchorage, Chugach Electric Association (CEA) and Alascom, and in regulations proceedings involving all regulated public utilities due to an alleged conflict of interest stemming from her position as Commissioner on the Alaska Public Utilities Commission and her husband's position as Mayor of Anchorage.

Based on a critical analysis of the legal memoranda presented to the Committee, the Attorney General's Opinions cited in the Cook memo, as well as an analysis of other Attorney General's Opinions and the common law, Commissioner Knowles does not have a real conflict of interest in participating in municipal utility cases. Her personal decision to abstain from participating in these cases to prevent any appearance of impropriety is reasonable and consistent with these authorities. Given the manner in which the commission deliberates and renders its decisions, her chosen conduct during the decision-making process is entirely appropriate. Further, there is absolutely no real or apparent conflict of interest in her participation in cases involving CEA or Alascom, or in any regulations hearing affecting the municipal utilities.

Introduction

The stated purpose of the March 30, 1982 legal memo addressed to the Committee from William Cook, Legal Counsel, House Judiciary Committee, is to present the questions involving conflict of interest clearly and concisely and to investigate the application of the Attorney General's office Opinions on the subject. (p. 1) The memo does present four questions and analyze certain Opinions concerning conflict of interest. It also concludes that Commissioner Knowles does have a conflict of interest involving not only the Anchorage municipal utilities but also CEA and Alascom; that this conflict may have existed prior to her husband taking office; that she cannot even be in the same room where the other Commissioners are discussing the Anchorage municipal utilities; and that she cannot discuss or vote on any matter involving the municipal utilities, CEA or Alascom. It implies her participation in regulations hearings pertaining to all regulated utilities, including the Anchorage municipal utilities, is inappropriate.

Because the memo (1) misconstrues cited Opinions, (2) overlooks an Opinion that answers the pivotal conflict of interest question, (3) confuses conflict of interest and incompatibility of office common law principles, and (4) misstates facts, the conclusions reached are erroneous. This memo will address each of the four questions raised, analyze the answers provided, and explain why no real conflict of interest exists in these situations.

Question 1: No Real Conflict of Interest
Exists Related to Municipal Utility Cases

In the first question presented, the March 30 memo asks whether a conflict of interest exists where an APUC Commissioner is married to the mayor of a city which owns municipal utilities. Interpreting Opinions rendered in 1976, 1966 and 1980, the memo appears to conclude^{1/} that a real conflict of interest is present. Because the memo ignores the reasoning in the Opinions, overlooks a more recent Opinion which answers the question, and totally confuses two principles of common law, it presents a conclusion which is erroneous.

^{1/} Because the conclusion is reached in the fourth full paragraph of page 3, and the relevant sentence does not have a verb or object, it is difficult to understand the conclusion.

In 1975 when Commissioner Knowles was first appointed to the APUC, she asked for an Attorney General's Opinion on whether there existed a conflict of interest between her husband, an assemblyman, and herself, a Commissioner. The Opinion she received interpreted the provision of the Alaska Public Utilities Commission Act (AS 42.05.131(a)) which governed conflict of interest:

No member of the commission or an employee of the commission may have an official connection with, or hold stock or securities in, or have a pecuniary interest in a public utility within the state. Membership in a cooperative association is not a "pecuniary interest" within the meaning of this section; however, no member or employee of the commission may be an officer, board member or employee of a cooperative association. No member or employee may act upon a matter in which his relationship with any person creates a conflict of interest.
[Emphasis added.]

The Opinion concluded that her marital association did not itself constitute a conflict of interest:

The term "relationship" is not defined within the Act. However, when read in the context of the section and the Act, it would appear that the term "relationship" encompasses a business and not a marital association. Even if the term is intended to include a marital association, that association alone does not constitute a prima facie conflict of interest. One must show that the relationship itself puts the member or employee of the APUC in such a position as to create a conflict of interest.

The Opinion told her that she had the right to excuse herself from consideration of any cases where she believed a conflict of interest existed:

Therefore, if a member of the APUC feels that in a given instance, there exists a conflict of interest that would prevent her from faithfully discharging her duties as a member, she may exclude herself from APUC consideration of the matter.

In 1980, when her husband was considering running for mayor, or for the state legislature, Commissioner Knowles again asked for an Attorney General's Opinion on whether this would be a conflict of interest. The response, personally authored by Avrum M. Gross, then Attorney General, attached here as Attachment I, concludes again that the law did not presume a conflict of interest in this situation:

The law does not presume the existence of a conflict of interest when spouses occupy different public offices which may from time to time become involved with each other. Hence, no conflict of interest necessarily results from your holding office on the Alaska Public Utilities Commission and your husband's being a member of the legislature or the mayor of Anchorage.

Because no one should be expected to sit in judgment on the members of one's own family, he advised her to disqualify herself on matters affecting the Municipality.

These two Opinions should dispose of the question. However, Mr. Cook's memo attempts to distinguish and discredit the 1976 Opinion and does not mention the 1980 Gross Opinion. Cook's memo states Knowles' husband was an assemblyman at the time, and not the mayor. It implies this change in facts could produce a different conclusion. The memo notes that the card file in Juneau indexing the 1976 Opinion states the answer is wrong. Finally, the Cook memo apparently arrives at a different conclusion based on a 1966 Attorney General's Opinion.

The 1980 opinion authored by the Attorney General himself affirms the 1976 Opinion and states there would be no presumed conflict of interest if Mr. Knowles were mayor. Thus, the 1976 Opinion cannot be distinguished on its facts, and the specific advice cannot be considered wrong. The note on the file card, which no one knows who authored, or what it means and which is not present on the corresponding file card in Anchorage is ambiguous at best. See Attachment II showing unannotated file card.

The Cook memo incorrectly relies on a 1966 Opinion to demonstrate a marital conflict of interest for Commissioner Knowles because the interests involved are entirely different in the two cases. The 1976 Opinion refers to a statute which prevented an Alaska State Housing Authority employee from buying a home sold by the Authority. The Opinion extended the restriction to the spouse who was said to have "at least an indirect interest" in her husband's

transactions. Of course, where there is a personal pecuniary interest involved, the husband and wife have a joint interest. If the restriction were not extended, the prohibition in the statute could easily be circumvented.

Also, certainly less than adequate legal reasoning supports the legal comparison of the two cases. First, it is reverse revisionist history to discredit one Opinion with an Opinion written ten years earlier. Second, the 1966 Opinion is cited to interpret the word "relationship". That term does not even appear in the statutory provision under consideration in that case. Third, no weighty principle of statutory construction exists that one statute can be clarified by interpreting a second entirely different statute which does not have similar language.

The Cook memo's analysis of the 1980 Roger Pegues Opinion (pp. 4-6) confuses two common law principles: conflict of interest and incompatibility of offices. Two questions were presented in that 1980 Opinion: (1) whether members of the State Board of Education may also be members of local school boards; and (2) whether a conflict exists where a member of the State Board is the spouse of the lobbyist for the state association of school administrators. In answer to the first question, the Opinion stated the board member could not hold both positions. Since the state board supervised the local boards, the member's impartiality could improperly be influenced by dual membership. In answer to the second question, the Opinion concluded that the existence of the spousal relationship does not, in most instances, disqualify one from offices. Only if the spouse's activities were so inextricably and continuously interconnected that the appearance of a conflict would be inescapable should the board member be disqualified.

It is elementary that where there is an "incompatibility of office or position",^{2/} public duties cannot be discharged impartially. For this to be an impermissible situation under the law, however, one individual, not two, must wear two hats. In other words, it would be impermissible for Susan Knowles to be Commissioner and Mayor at the same time. A husband and a wife are not a single entity for the purpose of the common

^{2/} Incompatibility of office or position involves a conflict of duties between two offices or positions and requires the involvement of two governmental offices or positions. Coyne v. State ex rel Thomas, 595 P.2d 970 (Wyo. 1979).

law doctrine of incompatibility of office and position. Coyne, supra, p. 974. In the Coyne case, patrons of a county school district challenged the right of a spouse of a teacher to act as a member of the school's board of trustees. The Wyoming Supreme Court did not believe that the trustee would be prevented from exercising impartial and independent judgment on a matter in which his wife, a teacher, was involved.

Thus, in correctly analyzing these Opinions and the question the Cook memo presents, the doctrines of conflict of interest and incompatibility of offices must be viewed separately. Generally, when used to suggest disqualification of a public official from performing her sworn duty, the term "conflict of interest" refers to a clash between the public interest and the private pecuniary interest of the individual concerned. Gardner v. Nashville Housing Authority, 514 F.2d 38, 41 (6th Cir. 1975), U.S. cert. den. in 6 S.Ct. 274, 423 U.S. 928, 46 L.Ed.2d 255. Since Susan Knowles has no personal pecuniary interest at stake in cases involving the municipal utilities, she has no real conflict of interest as suggested under the Alaska Public Utilities Commission Act, or as defined at common law. Further, even though her spouse holds a position in the municipal utilities which she in her role as Commissioner oversees, in a regulatory sense, she herself does not have incompatible duties or divided loyalties under the common law.

Question 2: Abstention From
Participation in Decisions Involving
Municipal Utilities Is Appropriate Conduct

In the second question, the March 30 Cook memo asks if a conflict of interest exists, how should the conflict be handled? The memo states that Commissioner Knowles should not only abstain from voting on any matter concerning the Anchorage municipal utilities, but also must absent herself entirely from discussions concerning these utilities, so that all comments among Commissioners are made out of her presence. (p. 7) Not only are these restrictions absurd, and presumptuous to present for committee consideration, but they go legions beyond the advice of the two Opinions Commissioner Knowles has already received.

The 1976 Opinion acknowledges that even though her marital association does not constitute a conflict of interest, per se, Commissioner Knowles "may exclude herself from APUC consideration of the matter" if she perceives a conflict of interest that would prevent her from faithfully discharging her duties. Similarly, the 1980 Opinion recommends she "disqualify [her]self on any matter directly affecting the

Municipality." Both Opinions state the decision is a personal one to her. The language in the 1976 Opinion suggests she not participate in discussions on the Anchorage municipal utility matters. The language in the 1980 Opinion suggests even less restricted conduct -- she must disqualify herself from the decision, but she is not necessarily prohibited from the discussion.

As stated in her letter to Chairman Carolyn Guess, dated January 4, 1982, Commissioner Knowles has abstained from participating in municipal utility cases by her own choice. Given the manner in which the APUC deliberates and renders its decisions, this conduct is entirely appropriate. As the House Judiciary Committee has been previously informed by the memo of Chairman Guess to the Executive Director of the Commission, dated March 8, 1982, (Attachment III), the Commissioners follow a set decision-making procedure. All five Commissioners make decisions on tariff filings in a public tariff action meeting. Three Commissioners sit on formal proceedings and conduct private decision conferences. The Commissioners on the hearing panel circulate draft orders between themselves. No decision is rendered by the Commission unless it is approved by a majority.

Because Commissioner Knowles is not a member of a hearing panel on any municipality case, she does not participate in decision conferences and does not read or comment on the draft order. Since these are the only instances where substantive comments concerning decisions are aired, it is unnecessary to place any further restriction on discussions in her presence. In tariff action meetings, Commissioner Knowles does not participate in any discussions pertaining to the Municipality's tariff filings. For her to be forced to leave the room during a public meeting is an extreme suggestion.

Question 3: Participation In Cases
Involving Municipal Utilities Prior
to Husband Taking Office Is Not
Tainted by Conflict of Interest Problem

In the third question, the Cook memo asks whether Commissioner Knowles should have absented herself from any discussions concerning the municipal utilities during the seven-month period Mr. Knowles was a candidate for mayor. While the memo admits there is absolutely no authority for such a proposition, it does not clear the slate on this issue. The memo states that no conflict in the "accepted sense" could have arisen in the "strictest sense" of that term. Could there be a conflict under a less strict meaning?

As stated above, the only legitimate conflict of interest in Commissioner Knowles' circumstance based on the Opinions, statute and common law, is an appearance of impropriety in sitting on cases involving utilities owned by the city in which her husband is mayor. If he is not mayor, how can she have any perceived conflict of interest? She has no pecuniary interest, no alleged divided loyalty. Any hint of improper conduct during this period should be withdrawn.

Question 4: Participation in
Cases Involving CEA, Alascom and
in Regulations Hearings Does
Not Create Conflict of Interest

In the fourth question, the March 30 Cook memo asks whether Commissioner Knowles should absent herself in other cases such as matters involving other utilities in competition with the municipal utilities (CEA). The list is expanded in the April 1 memo to include Alascom, and all regulations hearings. Based on a gross misunderstanding of facts, the memo erroneously concludes that her participation should be restricted in these cases.

CEA

The Cook memo attempts to summarize facts regarding the competition between CEA and Municipal Light and Power (ML&P). The memo fails to reference an Attorney General's Opinion which interprets "competition" between two utilities. Under this Opinion, ML&P and CEA have not competed since 1973, and therefore no attenuated conflict of interest can be created by Commissioner Knowles' participation in CEA proceedings.

CEA and ML&P did freely compete within the old city area of Anchorage in the 1950's and 1960's. When ML&P filed an application for a Certificate of Public Convenience and Necessity pursuant to a change in statute effective January 1, 1971, the Commission determined CEA and ML&P were offering identical services in the same areas. After extensive proceedings on September 27, 1973, the Commission issued Order No. 19 in Docket U-71-16 in which it assigned firm, fixed service areas to each of the utilities.

CEA appealed this Order to the Superior Court, and ML&P cross-appealed. On final review, the Supreme Court upheld the portion of the Order which established service areas, stating the Commission had properly allocated service areas to resolve the utilities' competing interests. APUC v. CEA, 580 P.2d 687, 696 (Alaska 1978). The court remanded other portions of the decision, directing the Commission to take further evidence solely on the retirement, sale and transfer of facilities.

After the parties failed to agree voluntarily on these matters, the Commission hired an engineering consultant to assist in resolution of these issues. Currently a procedure is in place to resolve any disputes concerning installation or construction of facilities across service area boundaries.

Under these facts, ML&P and CEA have not been in competition since 1973. The Cook memo fails to reference an Attorney General's Opinion which interprets competition between two utilities. According to this Opinion rendered by B. Richard Edwards, dated January 22, 1973, two utilities are considered to be in competition under AS 42.05.711(b) if they are in actual competition:

. . . the legislature intended the use of the word competition to mean actual competition. A mere dispute before the Alaska Public Utilities Commission does not constitute competition. AS 42.05.221, indicates that competition exists where two or more public utilities are furnishing identical utility service in a designated area and where these two utilities have authority for duplication and paralleling of facilities.

Because their discrete service area boundaries were defined in 1973, and this decision was upheld, these utilities have not been "in competition" since that time. Since CEA is not "in competition" with ML&P, no attenuated conflict of interest can arise if Commissioner Knowles participates in cases involving CEA. Notwithstanding the competition issue, Commissioner Knowles would still not have a conflict of interest in participating in cases relating to CEA's internal affairs, such as its revenue requirement, or management practices. Also, as a matter of note, Commissioner Knowles has never participated in Docket U-71-16, because ML&P was a party.

Alascom

The April 1 Cook memo claims ATU is in "partnership" with Alascom because it receives one half of its total revenues from toll settlements with Alascom. To the extent it receives these toll revenues which subsidize local rates, ATU does not have to request higher local rates, the Cook memo continues. Thus,

the memo concludes, Commissioner Knowles would have a conflict of interest when sitting on an Alascom rate case, "since she would participate in deciding how the tolls would be distributed to the local companies." (p. 3)

The memo totally misstates the relationship between ATU and Alascom, and the procedure used to distribute toll settlements. Every year, ATU presents to Alascom a jurisdictional cost separations study. Through this study, ATU demonstrates to Alascom the revenue Alascom must pay to compensate it for the use of its local exchange facilities. Under 3 AAC 48.430, utilities must use the methodology established in the 1971 Separations Manual (Part 67 of the Federal Communications Commission regulations) to separate costs between interstate and intrastate jurisdictions.

As explained here, there is little discretion which enters into the separations and settlements process. The utilities negotiate between themselves. Only if there is a dispute is the matter brought to the Commission for resolution.

In an Alascom rate proceeding then, the Commission does not decide how tolls are distributed to local companies. Therefore, Commissioner Knowles cannot have even an attenuated conflict of interest in participating in Alascom rate decisions.

If ATU has a dispute with Alascom, and files a toll complaint with the Commission, Commissioner Knowles would not even participate in the case, based on the standard of abstention she has established for herself, because ATU would be a party.

Regulations Proceedings

Finally, the Cook memo implies that Commissioner Knowles has a conflict of interest in participating in hearings on regulations which affect all regulated utilities, because these regulations would be applicable to the Anchorage municipal utilities.

It should be noted that the Commission regulates 228 utilities and 14 pipeline carriers. The five municipal utilities constitute an infinitesimal portion of these entities. It is inconceivable that Commissioner Knowles could act in some way to benefit these five at the expense of the rest.

In addition, speaking to this point, and in general, it should be re-emphasized that no decision is rendered by the Commission unless it is approved by a majority. Commissioner Knowles would be powerless by herself to cause any decision to be issued which benefitted the municipal utilities.

3 Attachments

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MEMORANDUM

TO: Representative Ramona L. Barnes
Chairman, House Judiciary Committee

FROM: William D. Cook, Legal Counsel *WDC*
House Judiciary Committee

DATE: March 30, 1982

RE: Judiciary Committee Hearings on
Appointment of Susan M. Knowles as
Commissioner with the Alaska Public Utilities
Commission -- Attorney General's opinions.

The Governor has appointed Susan M. Knowles for a second six-year term as a Commissioner with the Alaska Public Utilities Commission. Pursuant to the Constitution and AS 42.05.020, the appointment of Mrs. Knowles and other Commissioners must be confirmed by the Legislature in Joint Session assembled. As you know, that appointment, with the other two, has been directed to the House Judiciary Committee for hearings, which will begin on April 1.

As to Commissioner Knowles, questions of "conflict of interest" have arisen, and this memorandum attempts to state the several questions clearly and concisely, as well as investigate the application of opinions of the Alaska Attorney General's Office on this subject.

I.

THE QUESTIONS PRESENTED

1. Does a conflict of interest exist in the situation where a A.P.U.C. Commissioner is married to the Chief Executive officer (Mayor) of a city which owns and operates, electrical, telephone, water and sewage utilities which are within the scope of regulation of the A.P.U.C.?

2. If any such conflict of interest exists, is it sufficient to avoid the actual conflict for the Commissioner to abstain from voting on matters directly concerning the utilities owned and operated by the particular city, or must the Commissioner be totally absent from the hearings during the A.P.U.C.'s consideration of matters involving those utilities?
3. If any such conflict of interest does exist by the spouse serving as a Commissioner of the A.P.U.C. in matters involving the City utilities after the Mayor has been either elected or has taken office, was there also a conflict of interest during the period of the election, (after the filing for the office and prior to the final election)?
4. If any such conflict of interest does exist after the Mayor is elected or takes office, as to the particular utilities owned and operated by the City, does a conflict of interest also exist for the Commissioner/spouse participating in hearings and voting on matters involving other separately owned utilities which are either in competition with the City owned utilities or have during that period of time a matter disputed with the City utilities before the A.P.U.C.?

II.

OPINIONS OF THE ATTORNEY GENERAL

On February 20, 1976, Assistant Attorney General, Julious Brecht wrote a letter to Commissioner Knowles, responding to her letter of September 19, 1975. Her inquiry was to whether or not there existed a conflict of interest between her husband as elected member of the Municipal Government of Anchorage [Assemblyman] and herself as a Commissioner on the Alaska Public Utilities Commission. In the opinion, Mr. Brecht quoted from AS 42.05.131 as follows:

"No member of the the Commission or an employee of the Commission may have an official connection with, or hold stock or securities in, or have a pecuniary interest in a public utility within the state.
[emphasis added] ... No member or employee may act upon a matter in which his relationship with any person creates a conflict of interest."
[emphasis in opinion by Mr. Brecht].

After citing that provision, the opinion notes that "relationship" is not defined in the act but that "...it would appear that the term "relationship" encompasses a

business and not a marital association. Even if the term is intended to include a marital association, that association alone does not constitute a prima facie conflict of interest. One must show that the relationship itself puts the member or employee of the A.P.U.C. in such a position as to create a conflict of interest."

The opinion concludes with the suggestion that if an A.P.U.C. Commissioner felt a conflict of interest was present "...that would prevent her from faithfully discharging her duties as a member..." she may exclude herself from consideration of the matter by the A.P.U.C.

This 1976 opinion should be considered in the light of the fact that Commissioner Knowles' husband at the time was an assemblyman with the Municipality of Anchorage, but was not a Mayor, the person who is the final and Chief Executive officer over the utilities of the Municipality of Anchorage. The opinion seems to hinge upon the Assistant Attorney General's interpretation of "relationship" as a business one, and not a "marital association."

That interpretation of "relationship" might be in conflict with an attorney general's opinion ten years prior. On August 5, 1966, Assistant Attorney General Dickerson Regan wrote to the Alaska State Housing Authority regarding the possible conflict of interest of the purchase of a new Nunaka Valley home by husband of an A.S.H.A. employee. AS 18.55.080 was cited, and restricted the purchase of those homes by members or employees of the authority. After discussing the application of AS 18.55.080 to both housing and public building projects, the opinion included with

It is our further opinion that a wife may be considered to have at least an indirect interest in her husband's transactions, and that the restriction applies to the spouse of an employee as well as to the employee.

As to the 1976 opinion for Commissioner Knowles, perhaps any conflict of interest resulting or having a "pecuniary interest in a public utility when its within the state" due to result from the fact that her husband is Chief Executive officer over those utilities. Of course different statutes were under construction in the two opinions, but the principal of the construction should remain the same.

Lastly, as to the 1976 opinion for Commissioner Knowles, the file card on this opinion, in the Attorney General's office, indicates the following

CONFLICT OF INTEREST

February 29, 1976
Brecht

A.P.U.C. member cannot act on any matter where his relationships create conflict of interest.

AS 42.05.031

The precise answer in this memo is probably wrong [emphasis added].

It is not known what is meant by the indication that the "precise answer" in the memo was wrong.

One other opinion of the Attorney General's office relates to conflicts where spouses are members of governmental bodies with conflicting interest.

On April 10, 1980, Assistant Attorney General Roger W. Pegues wrote to Vicki A. Clayman, Special Assistant to the Governor in a memorandum which is file No. J-66-568-80. The question in that case is whether there was a conflict of interest where a member of the State Board of Education is married to a lobbyist for the State Association of School Administrators. The opinion notes that

"The rule is that, as a matter of law, dual memberships on the State and Local Boards creates an impermissible conflict of interest but spousal relationships must be treated on a case-by-case basis."

The opinion further points out that the State Board of Education occupies a supervising position with respect to local boards and it would be improper for a members impartiality to be influenced by dual membership. The opinion quotes extensively from 3 McQuillin, Municipal Corporations, Sec. 12.67 at 295-297 (1973) (citations omitted):

Public policy demands that an office holder discharge his duties with undivided loyalty. The doctrine of incompatibility is intended to assure performance of that quality. This applicability does not turn upon the integrity of the person concerned or his individual capacity to achieve impartiality, for inquiries of that kind would be too subtle to be rewarding. The doctrine applies inexorably if the offices come within it, no matter how worthy the officers purpose or extraordinary his talent.

* * *

[i]ncompatibility...is not simply a physical impossibility to discharge the duties of the two offices at the same time, it is an inconsistency in the functions of the two offices, as where...a contrariety and antagonism would result in an attempt by one person to discharge faithfully and impartially the duties of both. The two offices are said to be incompatible when the holder cannot in every instance discharge the duties of each. Incompatibility arises, therefore, in the nature of the duties of the offices...where the nature and duties of the two offices are such as to render it improper from consideration of public policy for one person to retain both. The true test is whether the two offices are incompatible in their nature, in their rights, duties, or obligations connected with or flowing from them.

* * *

Neither is it pertinent to say that the conflict in duties may never arise, it is enough that they may, in a regular operation of the statutory plan. Nor is it in answer to say that if a conflict should arise, the incumbent may omit to perform one of the incompatible rows. The doctrine was designed to avoid the necessity for that choice. [Emphasis added]

The opinion by Assistant Attorney General Pegues went on to cite the rule from Anderson v. City of Parsons, 496 P2d. 1333, 1336 (Kansas, 1972):

[A] Public officer owes an undivided duty to the public he serves and is not permitted to place himself in a position that will subject him to conflicting duties...A member of the state Board of Education places himself in just such a position if he is also an officer of a local district. His duty to the former is to the state at large; his duty to the latter is to his district. It makes no difference that the person involved is capable of conscientiously wearing both hats. The public is entitled not only to the actuality of undivided loyalty but also its appearance. People v. Rose, 524 P2d. 363 (California, 1974); 67 C.J.S. Officers, Section Mark 27, (1978); cf, Begich v. Jefferson, 441 P2d. 27 (Alaska, 1968).

The opinion goes on to note that a different question is presented where the spouse of a lobbyist may serve on the

State Board, as there "...is no holding of an incompatible office" in that instance. The existence of the spousal relationship does not, in most instances disqualify one from offices, and

A judges spouse may be an attorney; but the judge cannot in ordinary circumstances set on a case in which the spouse was an attorney of record. In the situation described, it seems that the spouses' activities are not so inextricably and continuously interconnected that the appearance of a conflict would be inescapable. If this is so, then the Board member is not necessarily disqualified.

Under the legal principles enunciated above, the public is entitled not only to the actuality of the members undivided loyalty but also its appearance. Accordingly, the Board member must be particularly sensitive to any appearance of impropriety and should not hesitate to abstain from participating in matters where there might be a conflict of interest. [emphasis added].

If conflict of interest would exist where Susan M. Knowles sat as a Commissioner with the A.P.U.C. in cases where the utilities of the Municipality of Anchorage are in question, and her husband is Mayor of the Municipality of Anchorage, how should that conflict of interest be handled to avoid both the appearance and the actuality of the conflict?

A 1963 Opinion by Assistant Attorney General Avrum Gross to A. H. Romick, Commissioner of the Department of Commerce touches on the question of "conflict by participation in decisions." There the apparent conflict was of a member of the Alaska State Development Corporation Board participating in decisions involving a loan application from a bank with which the Board member was connected. The pertinent statute, AS 44.59.050, required Board members to abstain from "decisions pertaining to a loan contract in which they had a personal interest." The actual question was whether this required the Board member to only abstain from the actual vote or from all discussions pertaining to it.

Assistant Attorney General Gross noted that

In acting on an application, the Board member must consider many things.

He further noted that subjective judgments are involved and it may be that no formal vote is taken by the Alaska State Development Corporation Board, but

* * *

The presence in those discussions of a Board member who admittedly has a personal interest in seeing the loan granted, would be a clear violation of both the terms and the spirit of AS 44.59.050, pertaining to conflict of interest and might well invalidate the loan if made under this section.

Thus it appears that the application of these principles to the instant case would probably require that Commissioner Knowles not only abstain from voting on any matter directly concerning utilities owned by the Municipality of Anchorage, but that she absent herself entirely from discussions concerning these utilities, so that all comments between Commissioners concerning those utilities were out of her presence.

III.

FURTHER QUESTIONS

The further questions are whether she should have so absented herself from any such discussions during the seven month period during which her husband was a candidate for mayor of Anchorage, and whether she should so absent herself from any A.P.U.C. matters concerning other utilities which are in competition or actual conflict before the A.P.U.C. with the Municipality of Anchorage Utilities.

None of the Attorney General's opinions or cases reviewed deal with the matter of election period participation by a commissioner. It appears that Tony Knowles filed for the office of Mayor of Anchorage on March 27, 1981. Since he was not yet in office, it seems clear that no conflict in the accepted sense could have arisen in the strictest sense of that term.

As you know, the A.P.U.C. has provided the committee with copies of Commission orders and approved letters to utilities over the past year. I have listed the ones dealing with the Municipality of Anchorage as Attachment "A", and you can see that, according to the material supplied, Commissioner Knowles did not participate in the decisions on Municipality of Anchorage since January 1 (in fact, we received no material A.P.U.C. sent) Otherwise, the headings do generally indicate that the matter was "before" all commissioners, including her, so I assume she was

present at the meeting. She does appear to have participated at meetings concerning the Municipality of Anchorage prior to January 1, including the seven-month election campaign period.

The forms provided by the A.P.U.C. also indicate that Commissioner Knowles has generally declined to participate in hearings where competitors of the Municipality of Anchorage were in question.* A separate list has been prepared for Chugach Electric Association orders, attachment "B", and it shows that she has "signed off" on three orders and one letter to C.E.A. since February 3, 1982. (her "O.K." on the February 5, 1982 order number 9 in action U-81-52 does show a "by D.E.S." by her name -?).

It would appear that it is inappropriate for Commissioner Knowles (to be present) discuss the matter with other commissioners, or vote on any A.P.U.C. matter concerning Municipality of Anchorage or any of its competitors, especially Chugach Electric Association, with whom the Anchorage Municipal Light and Power has had a boundary dispute before the A.P.U.C. for several years. Apparently she does not consider it inappropriate to participate in those hearings on competitors.

It is an open question whether Commissioner Knowles should have declined to participate in A.P.U.C. hearings on the Municipality of Anchorage during the campaign period. Apparently she did not consider that either an actual conflict of interest or the appearance of a conflict of interest existed.

The Alaska Public Utilities Commission also forwarded to the committee, copies of each Commission Tariff Action Meeting log sheet from January 9, 1981 through February 26, 1982. Not all "actions taken" columns indicate a vote by commissioners. Of the 438 actions where a vote is indicated, 427 were unanimous, 10 had dissents, and only one shows a commissioner - Knowles - "not participating."

MUNICIPALITY OF ANCHORAGE

1	4-3-81	Letter to A.T.U.
2	5-26-81 (A.T.U.)	U-80-42 U-81-19
3	5-27-81	Letter to Ted Burns, RE: M. of A. garbage & refuse Public Utility.
4	5-11-81 (A.T.U.) (voted "No")	U-81-29 #1 - Order suspending tariff revision and granting interim rates.
5	6-1-81 (A.T.U.)	U-81-33 #1
6	6-16-81 (water utility)	U-80-97 #2
7	6-19-81 (M. L. & P.)	TA 34-121 - letter
8	6-19-81 (A.T.U.)	Letter to Mr. Pistorius
9	6- -81 (Sewer Utility)	U-81-36 #1 U-80-4 #10
10	6- -81 (A.T.U.) ("N P" but on list of commissioners)	U-80-42 #3
11	6- -81 (M.L. & P.) ("N P" but name on list of commissioners)	U-80-100 #5 order extending suspension period
12	7- -81 (A.T.U.) ("N P" but on list of commissioners)	U-80-42 #3
13	7-21-81 (M.L.P.)	U-78-85 #6
14	9- -81 (M.L. & P.) ("N P" but on list of commissioners)	U-80-100 #6
15	10-8-81 (A.T.U.)	U-81-19 #2 order extending suspension period

16	10-27-81 (Water Utility)	U-76-66 #9 U-81-78 #1
17	10-30-81	Letter to John W. Coyne, Assistant Municipal Attorney, RE: application for certificate of convenience and necessity to operate a public utility.
18	12- -81 (A.T.U.)	U-81-33 #2
19	12- -81 (A.T.U. & Matanuska Telephone Association) ("N P" but on list of commissioners)	U-80-80 #2 U-80-90 #2
20	12-14-81 (Sewer Utility) ("N P" on order, but Knowles on list)	U-80-4 U-81-36
21	1- -82 (A.T.U.) ("N P" but on list)	U-81-46 #2 tariff revision

CHUGACH ELECTRIC ASSOCIATION DECISION

1	6-4-81	Letter to General Manager Schultz RE: Tariffs
2	7-6-81	U-78-40 #2
3	8-11-81	U-81-52 #1 U-80-92 #2 U-81-20 #2 U-81-53 #1
4	9-1-81	Letter to General Manager Schultz RE: August 9, 1981 outage.
5	9-11-81	U-81-52 #2 U-81-20 #3
6	9-14-81	U-81-20 #3 U-81-52 #2
7	9-25-81	U-81-52 #3
8	9-29-81	U-81-20 #4 U-81-52 #4
9	10-16-81	U-77-68 #8
10	10- -81 ("NP" but on list of commissioners)	U-81-20 #5 U-81-52 #5
11	12-28-81	U-81-52 #7
12	2-3-82	U-81-52 #8 -- TA 22-8
13	2-5-82 ("by D.E.S. "?)	U-81-52 #9 -- staying above
14	2-11-82	U-81-52 #10 -- TA-22-8
15	2-11-82	Letter, RE: salary info.

Susan M. Knowles

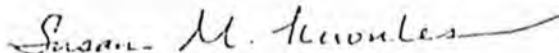
January 4, 1982

Chairman Carolyn S. Guess
Alaska Public Utilities Commission
1100 MacKay Building
338 Denali Street
Anchorage, Alaska 99501

Dear Chairman Guess:

As you are aware, my husband was elected to the position of Mayor of the Municipality of Anchorage on October 27, 1981, and was formally sworn into office on January 2, 1982. This letter is written to formally advise you of my intention to abstain from participating in decisions on filings by the utilities owned by the Municipality of Anchorage which come before the Alaska Public Utilities Commission. This policy has been in effect at least since my husband's election and will continue as long as we remain in our respective positions.

Sincerely yours,



Susan M. Knowles
Commissioner

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K—STATE CAPITOL
JUNEAU, ALASKA 99811

March 6, 1980

Ms. Susan M. Knowles
1319 'G' Street
Anchorage, Alaska 99501

Dear Ms. Knowles:

The law does not presume the existence of a conflict of interest when spouses occupy different public offices which may from time to time become involved with each other. Hence, no conflict of interest necessarily results from your holding office on the Alaska Public Utilities Commission and your husband's being a member of the legislature or the mayor of Anchorage.

Conflicts of interest could, of course, arise in specific situations. To the extent that Anchorage utilities are subject to APUC regulation, and to the extent Anchorage is also a major customer of utilities which are so regulated, the mayor of Anchorage may have business before the commission. Members of the legislature frequently become deeply involved in matters pertaining to the administrative regulation of business and industry. Ex parte communications could cause serious problems. The burden would be on the two of you to avoid actual conflicts of interest and the appearance of impropriety.

While marital status alone does not raise a conflict of interest, obviously no one can be expected to sit in judgment on the members of one's own family. Accordingly, should your husband become mayor of Anchorage, you should probably disqualify yourself on any matters directly affecting the municipality. If he was elected to the legislature, he would have to avoid communications on matters before the commission in which he has an interest as a legislator.

Sincerely yours,



Avrum M. Gross
Attorney General

Attachment I

AMG:pjg:RWP

AS 42.05.131

M

February 20, 1976
Brecht

APUC member cannot act on any matter
where his relationships create conflict
of interest.

CONFLICT OF INTEREST
PUBLIC UTILITIES COMMISSION, ALASKA

Attachment II

occasions of delay. It ought not to be forgotten that under the existing Confederation two members *may*, and usually *do*, represent a State; whence it happens that Congress, who now are solely invested with *all the powers* of the Union, rarely consists of a greater number of persons than would compose the intended Senate. If we add to this that as the members vote by States, and that where there is only a single member present from a State his vote is lost, it will justify a supposition that the active voices in the Senate, where the members are to vote individually, would rarely fall short in number of the active voices in the existing Congress. When, in addition to these considerations, we take into view the co-operation of the President, we shall not hesitate to infer that the people of America would have greater security against an improper use of the power of making treaties, under the new Constitution, than they now enjoy under the Confederation. And when we proceed still one step further and look forward to the probable augmentation of the Senate, by the erection of new States, we shall not only perceive ample ground of confidence in the sufficiency of the numbers to whose agency that power will be intrusted, but we shall probably be led to conclude that a body more numerous than the Senate would be likely to become, would be very little fit for the proper discharge of the trust.

PUBLIUS

No. 76: Hamilton

THE President is "to *nominate*, and, by and with the advice and consent of the Senate, to appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States whose appointments are not otherwise provided for in the Constitution. But the Congress may by law vest the appointment of such inferior officers as they think proper in the President alone, or in the courts of law, or in the heads of departments. The President shall have power to fill up *all vacancies* which may happen *during the recess of the Senate* by granting commissions which shall *expire* at the end of their next session."

It has been observed in a former paper "that the true test of a good government is its aptitude and tendency to produce a good administration." If the justness of this observation be admitted the mode of appointing the officers of the United States contained in the foregoing clauses must, when examined, be allowed to be entitled to particular commendation. It is not easy to conceive a plan better calculated than this to promote a judicious choice of men for filling the offices of the Union; and it will not need proof that on this point must essentially depend the character of its administration.

It will be agreed on all hands that the power of appointment, in ordinary cases can be properly modified only in one of three ways. It ought either to be vested in a single man, or in a *select* assembly of a moderate number, or in a single man with the concurrence of such an assembly. The exercise of it by the people at large will be readily admitted to be impracticable; as waiving every other consideration, it would leave them little time to do anything else. When, therefore, mention is made in the subsequent reasonings of an assembly or body of men, what is said must be understood to relate to a select body or assembly, of the description already given. The people collectively, from their number and from their dispersed situation, cannot be regulated in their movements by that systematic spirit of cabal and intrigue which will be urged as the chief objections to reposing the power in question in a body of men.

Those who have themselves reflected upon the subject, or who have attended to the observations made in other parts of these papers in relation to the appointment of the President will, I presume, agree to the position that there would always be great probability of having the place supplied by a man of abilities, at least respectable. Premising this, I proceed to lay it down as a rule that one man of discernment is better fitted to analyze and estimate the peculiar qualities adapted to particular offices than a body of men of equal or perhaps even of superior discernment.

The sole and undivided responsibility of one man will naturally beget a livelier sense of duty and a more exact regard to reputation. He will, on this account, feel himself under stronger obligations, and more interested to

investigate with care the qualities requisite to the stations to be filled, and to prefer with impartiality the persons who may have the fairest pretensions to them. He will have fewer personal attachments to gratify than a body of men who may each be supposed to have an equal number; and will be so much the less liable to be misled by the sentiments of friendship and of affection. There is nothing so apt to agitate the passions of mankind as personal considerations, whether they relate to ourselves or to others, who are to be the objects of our choice or preference. Hence, in every exercise of the power of appointing to offices by an assembly of men we must expect to see a full display of all the private and party likings and dislikes, partialities and antipathies, attachments and animosities, which are felt by those who compose the assembly. The choice which may at any time happen to be made under such circumstances will of course be the result either of a victory gained by one party over the other, or of a compromise between the parties. In either case, the intrinsic merit of the candidate will be too often out of sight. In the first, the qualifications best adapted to uniting the suffrages of the party will be more considered than those which fit the person for the station. In the last, the coalition will commonly turn upon some interested equivalent: "Give us the man we wish for this office, and you shall have the one you wish for that." This will be the usual condition of the bargain. And it will rarely happen that the advancement of the public service will be the primary object either of party victories or of party negotiations.

The truth of the principles here advanced seems to have been felt by the most intelligent of those who have found fault with the provision made, in this respect, by the convention. They contend that the President ought solely to have been authorized to make the appointments under the federal government. But it is easy to show that every advantage to be expected from such an arrangement would, in substance, be derived from the power of nomination which is proposed to be conferred upon him; while several disadvantages which might attend the absolute power of appointment in the hands of that officer would be avoided. In the act of nomination, his judgment alone would be exercised; and as it would be his

sole duty to point out the man who, with the approbation of the Senate, should fill an office, his responsibility would be as complete as if he were to make the final appointment. There can, in this view, be no difference between nominating and appointing. The same motives which would influence a proper discharge of his duty in one case would exist in the other. And as no man could be appointed but on his previous nomination, every man who might be appointed would be, in fact, his choice.

But his nomination may be overruled: this it certainly may, yet it can only be to make place for another nomination by himself. The person ultimately appointed must be the object of his preference, though perhaps not in the first degree. It is also not very probable that his nomination would often be overruled. The Senate could not be tempted by the preference they might feel to another to reject the one proposed; because they could not assure themselves that the person they might wish would be brought forward by a second or by any subsequent nomination. They could not even be certain that a future nomination would present a candidate in any degree more acceptable to them; and as their dissent might cast a kind of stigma upon the individual rejected and might have the appearance of a reflection upon the judgment of the Chief Magistrate, it is not likely that their sanction would often be refused, where there were not special and strong reasons for the refusal.

To what purpose then require the co-operation of the Senate? I answer, that the necessity of their concurrence would have a powerful, though, in general, a silent operation. It would be an excellent check upon a spirit of favoritism in the President, and would tend greatly to prevent the appointment of unfit characters from State prejudice, from family connection, from personal attachment, or from a view to popularity. And, in addition to this, it would be an efficacious source of stability in the administration.

It will readily be comprehended that a man who had himself the sole disposition of offices would be governed much more by his private inclinations and interests than when he was bound to submit the propriety of his choice to the discussion and determination of a different and independent body, and that body an entire branch of the

legislature. The possibility of rejection would be a strong motive to care in proposing. The danger to his own reputation, and, in the case of an elective magistrate, to his political existence, from betraying a spirit of favoritism or an unbecoming pursuit of popularity to the observation of a body whose opinion would have great weight in forming that of the public could not fail to operate as a barrier to the one and to the other. He would be both ashamed and afraid to bring forward, for the most distinguished or lucrative stations, candidates who had no other merit than that of coming from the same State to which he particularly belonged, or of being in some way or other personally allied to him, or of possessing the necessary insignificance and pliancy to render them the obsequious instruments of his pleasure.

To this reasoning it has been objected that the President, by the influence of the power of nomination, may secure the complaisance of the Senate to his views. The supposition of universal venality in human nature is little less an error in political reasoning than the supposition of universal rectitude. The institution of delegated power implies that there is a portion of virtue and honor among mankind, which may be a reasonable foundation of confidence. And experience justifies the theory. It has been found to exist in the most corrupt periods of the most corrupt governments. The venality of the British House of Commons has been long a topic of accusation against that body in the country to which they belong, as well as in this; and it cannot be doubted that the charge is, to a considerable extent, well founded. But it is as little to be doubted that there is always a large proportion of the body which consist of independent and public-spirited men who have an influential weight in the councils of the nation. Hence it is (the present reign not excepted) that the sense of that body is often seen to control the inclinations of the monarch, both with regard to men and to measures. Though it might therefore be allowable to suppose that the executive might occasionally influence some individuals in the Senate, yet the supposition that he could in general purchase the integrity of the whole body would be forced and improbable. A man disposed to view human nature as it is, without either flattering its virtues or exaggerating its vices, will see sufficient

ground of confidence in the probity of the Senate to rest satisfied, not only that it will be impracticable to the executive to corrupt or seduce a majority of its members, but that the necessity of its co-operation in the business of appointments will be a considerable and salutary restraint upon the conduct of that magistrate. Nor is the integrity of the Senate the only reliance. The Constitution has provided some important guards against the danger of executive influence upon the legislative body. It declares that "No senator or representative shall, during the time for which he was elected, be appointed to any civil office under the United States, which shall have been created, or the emoluments whereof shall have been increased, during such time; and no person holding any office under the United States shall be a member of either house during his continuance in office."

PUBLIUS

No. 77: Hamilton

It HAS been mentioned as one of the advantages to be expected from the co-operation of the Senate, in the business of appointments, that it would contribute to the stability of the administration. The consent of that body would be necessary to displace as well as to appoint. A change of the Chief Magistrate, therefore, would not occasion so violent or so general a revolution in the officers of the government as might be expected if he were the sole disposer of offices. Where a man in any station had given satisfactory evidence of his fitness for it, a new President would be restrained from attempting a change in favor of a person more agreeable to him by the apprehension that a discountenance of the Senate might frustrate the attempt, and bring some degree of discredit upon himself. Those who can best estimate the value of a steady administration will be most disposed to prize a provision which connects the official existence of public men with the approbation or disapprobation of that body which, from the greater permanency of its own composition, will in all probability be less subject to inconsistency than any other member of the government.

MEMORANDUM

State of Alaska

TO Jack B. Farleigh
Executive Director

DATE: March 8, 1982

FILE NO:

TELEPHONE NO:

FROM Carolyn S. Guess *CSG*
Chairman

SUBJECT: Commissioner decision-making
procedures

In response to your inquiry regarding the Commissioners' decision-making procedures, to the best of my knowledge and memory, for the past six years it has been as follows:

Tariff Action Meetings

The basis for Commissioner decision-making is the utility's request and Staff's written recommendations, amplified, when necessary, in response to Commissioner questions. The votes in Tariff Action meetings are recorded and public record.

Commission Orders

In regard to decisions on substantive and procedural matters which result in a Commission Order, the Commissioners' role is similar to that of judges. Our procedure is similar to that of the Alaska Supreme Court. After the hearing panel's initial decision conference on the issues involved in the proceeding, a proposed Order is drafted by the Commissioner docket-manager and circulated, for discussion purposes, to those serving on the panel. Based on the comments received, a final Order is then drafted for concurrence with or dissent by the panel members. A Commissioner who does not agree with the majority decision can indicate his/her dissent and provide a statement, including the reasons for his/her decision, if desired. In addition, a Commissioner who agrees with the result of an Order but disagrees with the rationale supporting the decision may write a separate statement indicating his/her views. Unless otherwise noted, a Commission Order is a consensus decision of the hearing panel. In the event all five Commissioners do not participate in a decision, it is so noted.

Attached are copies of Orders which have been authored by Commissioner Knowles, Commissioner Snowden and myself. It should be noted that Commissioner Snowden joined the APUC in October 1981; therefore, her repertoire of authored Orders is more limited than Susan's and mine, which spans a six-year time frame. These Orders address substantive issues that have been before the Commission during the past six years and provide a broad range of subject matter that has required Commission action.

Enclosures

Attachment III

-1 18
66
13
-2 353

-1 Orders (^{38 of} c. 350) SU-10

- 0 2/- U-79-40: ATUL: n/p
- 0 2/- U-78-85: ML&P: n/p
- 0 2/- U-81-11: Alacom/ATUL: n/p
- 0 3/- U-80-52: ATUL: n/p
- 0 2/- U-80-97: ALUL: n/p
- 0 3/- U-76-93: ATUL: n/p
- 0 3/- U-80-57: ATUL: n/p
- 0 3/- U-80-100: ML&P: n/p
- 0 3/- U-78-85: ML&P: n/p
- 0 3/- U-80-100: ML&P: n/p
- 0 4/- U-81-19 (1): ATUL: suspend for investigation -
line ext policy
- 0 4/- U-81-11: Alacom/ATUL: n/p
- 0 4/- U-78-65: ATUL: n/p
- 0 4/- U-78-66: ATUL: n/p
- 0 4/- U-80-52: ATUL: n/p
- 0 5/- U-81-29: ATUL: suspend + grant interim rates
for straight line feature telephones

- 0 5/- 21-80-100: MLD P. n/p
- 0 5/- 21-80-8: ATU: errata notice
- 0 6/- 21-81-33(1): ATU: suspend for investigation costs; schedule hearing
- 0 6/- 21-81-36/21-80-4: ASU: n/p
- 0 6/- 21-81-36/21-80-4: ASU: n/p
- 0 6/- 21-80-97: CIVIL: close dkt
- 0 6/- 21-80-42: ATU: n/p
- 0 7/- 21-80-42: ATU: n/p
- 0 7/- 21-80-100: MLD P: n/p
- 0 7/- 21-78-85(6): MLD P: close dkt
- 2-1 * -sk. dissent
7/- 21-81-46 (1): ATU: suspend & require submission of permanent RR + rate unbundling
- 3-0 9/- 21-80-100 (6): MLD P: n/p
- 5-0 10/27 21-76-66(9) & 21-81-78(1): ATU: close dkt & allocate costs; suspend + grant interim rate increase
- 3-0 10/- 21-80-4(11)/21-81-36(2): ASU: n/p
- 0-0 10/8 21-81-19(2): ATU: extend suspension period.
- 5-0 11/2 21-81-27(1): Gas dkt: more investigations & schedule hearing

0 12/- 11-81-33(2) : ATU : n/p

0 12/- 11-80-8(2)/11-80-90(2) : ATU : n/p

12/ 11-80-4/11-81-36 : ASU : n/p

0 1/- 11-81-48(2) : ALU : n/p

0 1/- 11-80-8(3)/11-80-90(3) : ATU : n/p

0 1/- 11-81-46(2) : ATU : n/p

BEOC 11 of (c. 1-0)

4/2 ATU: return validated tariff sheet

place in notice unit to require to justify
\$5 credit in next general rate case

0 5/26 ATU: approve CABTEL joint review sheet &
return validated tariff sheet

0 5/26 3P: review of CPCTP recommendations

0 6/3 11:2 P: review validated tariff sheet (PCAC)
express concern re waste in tariff

0 6/11 ATU: return validated tariff sheet

direct to review and review of filings to be
sure all tariffed

0 6/14 ATU: return validated tariff sheet

direct to correct tariff sheet

0 6/20 ASUC: n/p

0 6/20 ASUC: n/p

0 6/24 Refuse: notify re application deficiencies

0 6/28 MI: n/p

0 6/30 ASUC: n/p

SUSAN M. KNOWLES

1319 G Street
Anchorage, Alaska 99501
(907) 279-6336

EDUCATION:

University of Alaska
Anchorage, Alaska
MBA, Finance, 1979

Vassar College
Poughkeepsie, New York
AB, Political Science, 1968

EMPLOYMENT:

October, 1975 to Present:

Commissioner

State of Alaska
Alaska Public Utilities Commission
Anchorage, Alaska

June, 1973 to September, 1975:

Property Investment Finance Manager

David E. Alm and Joe L. Hayes
Borough-City Development, Inc
Campbell Lake Development Co.
Campbell Lake Inc.
Anchorage, Alaska

November, 1970 to September, 1975:

Secretary-Treasurer

Grizzly Burger, Inc.
Anchorage, Alaska

December, 1968 to November, 1970:

Administrative Assistant

Community Enterprise Development Corporation
Anchorage, Alaska

PROFESSIONAL ASSOCIATIONS:

Gas Research Institute

Advisory Council (1978 to present)

National Association of Regulatory Utility Commissioners

Committee on Gas (1976 to present)

Western Conference of Public Service Commissions

Executive Committee (1980 to present)

President (1979 - 1980)

Vice President (1978 - 1979)

Secretary-Treasurer (1977 - 1978)

PROFESSIONAL SEMINARS:

Electric Utility Rate Design Study

Electric Power Research Institute (May, 1980)

Division of Toll Revenues Course

General Telephone & Electronics (December, 1978)

Seminar on Telephone Cost Allocation Procedures

Ernst & Ernst (July, 1978)

Public Utility Seminar on Corporate Finance

Kidder, Peabody & Co., Incorporated (June, 1978)

Seminar for Retail Rate Consultants

U. S. Department of Agriculture,

Rural Electrification Administration (May, 1977)

Administrative Law Procedure

Graduate Evidence

National College of the Judiciary (March, 1977)

The Annual Regulatory Studies Program

National Association of Regulatory

Utility Commissioners (August, 1976)

PERSONAL:

Date of Birth: December 4, 1946

Place of Birth: New York, New York

Marital Status: Married; one daughter

MEMORANDUM

State of Alaska

TO: Susan M. Knowles
Commissioner

DATE: April 6, 1982

FILE NO:

Jeanne McPherren
FROM: Jeanne McPherren
Associate Attorney

TELEPHONE NO: Commission Tariff Action and
Order Procedures and Your
SUBJECT: Participation in Proceedings
Pre- and Post-Mayoral Election

As the editor of the majority of Commission orders and as an employee of some longevity with the Commission, I offer the following as explanation to William D. Cook, Legal Counsel, House Judiciary Committee, with reference to his obvious misconceptions or misunderstanding of Commission procedures.

Prior to addressing your participation in any of the proceedings listed by Mr. Cook in his attachment to a memorandum dated March 30, 1982, I feel it necessary to respond to Mr. Cook's assumptions of Commissioner participation in a proceeding before this Commission. On pages 7-8 of his memorandum to Representative Barnes, Mr. Cook states, "...[T]he headings do generally indicate that the matter was 'before' all commissioners, including her [Commissioner Knowles], so I assume she was present at the meeting. She does appear to have participated at meetings concerning the Municipality of Anchorage prior to January 1,..." (Emphasis supplied). As you testified before the House Judiciary Committee on April 1, this "assumption" is totally erroneous. As explained in greater detail below, the phrase "Before Commissioners" followed by the names of Commissioners is a listing of the number and names of the Commissioners at the time of that order's issuance. A Commissioner's involvement or participation in a proceeding is indicated, as shown on the draft orders provided to Mr. Cook, by a Commissioner's writing: yes, OK, no, dissenting, not participating (or its abbreviation NP), or a line through the blank opposite a name, in the spaces provided in the "Commission Action" stamp placed on each draft order. When the order is typed in final, the majority's decision is indicated by the phrase "BY DIRECTION OF THE COMMISSION" located at the end of the order. Those Commissioners who do not participate, dissent, concur, etc., are indicated beneath that phrase.

For example, I refer Mr. Cook to Order No. 9 in Docket No. U-78-35, dated September 7, 1979, which indicates the Commission members to be: Commissioners Gordon J. Zerbetz, Chairman, Morvin R. Weatherly, Carolyn S. Guess, Susan M. Knowles, and Stuart C. Hall. Subsequent to Chairman Zerbetz' departure and the appointment of Commissioner Guess as Chairman, the heading was modified to read: Before Commissioners: Carolyn S. Guess, Chairman, Marvin R. Weatherly, Susan M. Knowles, and Stuart C. Hall. See Order No. 6, Docket No. U-80-100, dated September 1, 1981. Following the assumption of office by Diana E. Snowdon as a Commissioner on September 28, 1981, the listing was again modified by adding her name under that of Commissioner Hall. See Order No. 2, Docket No. U-81-82, dated February 16, 1982. I understand that U-78-35(9) and U-81-82(2) have already been supplied to Mr. Cook. A copy of U-80-100(6) is attached to this memorandum.

According to my recollection, this procedure, which was established in 1975, was instituted to respond to concerns regarding the quorum of Commissioners participating in a proceeding and to indicate to the public the voting record of Commissioners. The heading enumerates the appointed Commissioners; Commissioner participation and voting is listed at the end of the decision. To elucidate, with five Commissioners empanelled and participating, a majority vote of three is needed; a majority vote of three is also needed if four Commissioners participate; and a quorum vote of two is needed if three Commissioners participate. An inquiry to the Executive Director of the Commission verifying these procedures would have eliminated any inference in the March 30 memo of impropriety on your part.

Turning to your participation in the proceedings involving the utility systems of the Municipality of Anchorage both subsequent to Mayor Knowles' filing for office in March, 1981, and his election to office on October 27, 1981, I have attached the complete, finalized copies of each letter and order to which Mr. Cook refers. (I would point out that the date of a letter or order does not necessarily correspond to the dates on which the Commissioners sign a draft. These dates can vary widely due to circulation of the draft among the Commissioners for signature, final typing, corrections as necessary, etc., before a final product is sent out.) In

view of Mr. Cook's statement on page 7 of his March 30 memorandum that, "Since he [Tony Knowles] was not yet in office, it seems clear that no conflict in the accepted sense could have arisen in the strictest sense of that term," I am puzzled by his then listing orders and letters which were issued during that period of time. Nonetheless, as stated, I have attached copies of all items he questions.

Pre-election--Items 1-16

As clearly indicated, "Commissioner Susan M. Knowles" did not participate in Items 9, 10, 11, 12, and 14 (Docket Nos. U-80-4(10), et al., U-80-42(3), U-80-100(5), U-80-42(3-E) (corrective notice of U-80-42(3)), or U-80-100(6), respectively).

Items 1, 2, 3, 6, 7, 8 and 13 are procedural only; i.e., letters transmitting tariff sheets and requesting additional information, closing dockets, etc., N.B. Item 3 is one of eight form letters sent to municipally owned refuse utilities throughout the State.

Since the orders issued under Items 4, 5, 15 and 16 instituted investigations, granted interim rate increases during those periods of investigation and prior to final determination by the Commission, and granted extensions for investigative purposes, these orders are also procedural in nature; i.e., none of these orders were determinative or dispositive of the issues under investigation.

Of the orders listed above, only three are decisions determinative of issues under consideration; and they are: U-80-4(10), et. al., U-80-42(3), and U-80-100(6), Items 9, 10 and 14. As noted, you did not participate in these decisions.

Post-election--Items 17-21

As indicated on the orders attached, "Commissioner Susan M. Knowles" did not participate in U-80-8/90(2), U-80-4(11) et al., or U-81-46(2), Items 19, 20 and 21, respectively, nor in U-81-33(2), Item No. 18, although Mr. Cook does not so indicate on his list by that item.

Item 17 was procedural only and responded to questions raised by Mr. Coyne with response to our letter of June 16 (Item 3 listed and explained in greater detail above).

With response to questions arising from our tariff action forms and the statement thereon of "Approved Unanimously," I have attached copies of the actual sign-off sheets which

Commissioner Knowles
April 6, 1982
Page 4

indicate, as you testified to the House Judiciary Committee, that you did not participate in any of the tariff filings under question. I would also point out that the phrase "Approved Unanimously" means that a majority of those participating approved the Commission Staff's recommendation on a particular filing.

I hope the foregoing information alleviates concerns regarding your participation in the areas questioned by Mr. Cook. Please let me know if I can be of further assistance.

Enclosures

TARIFF ACTION MEMORANDUM

10/27/81
(Date)

File No.: TA26 - 121

Date Filed ___/___/___

Name of Utility Municipal Light & Power

Tariff Recommendation:

- 1. Publication of notice should be waived..... _____
- 2. Filing should become effective at end of 45-day statutory notice period on ___/___/___..... _____
- 3. Filing should be allowed to become effective on 10/1/81 which is less than the 45-day statutory notice period..... X
- 4. Filing should be rejected and returned to the utility..... _____
- 5. Operation of the filing should be suspended..... _____
- 6. Part of filing should be accepted effective ___/___/___ and part should be suspended..... _____

Reason(s) for the above-indicated recommendation:

Order No. 6 in Docket U-80-100 did not specifically address two tariff changes requested by ML&P— Modified wording of Rule 6.6 and an increase in charges on Sheet No. 100 for Reconnection During Regular Business Hours from \$12.00 to \$15.00. Staff's testimony does not question these items. I believe them to be reasonable and recommend approval.

After investigation and review I have determined that the tariff sheets attached hereto received September 29, 1981, supplemented by those corrected sheets received October 20, 1981, are in compliance with Order No. 6 in Docket U-80-100.

Staff Docket Manager Clayton E. Fox

Signed: _____ Title: _____

Commission decision re this recommendation:

	<u>I Concur</u>	<u>I Do Not Concur</u>
Guess	_____	_____
Weatherly	<u>MRW</u>	_____
Knowles	<u>n/a</u>	_____
Hall	<u>J. Hall</u>	_____
Snowden	<u>AS</u>	_____

Special instructions to Staff: _____

TARIFF ACTION MEMORANDUM

(Date)

File No.: TA 39-121

Date Filed 11 / 12 / 81

Name of Utility MUNICIPAL LIGHT AND POWER

Tariff Recommendation:

- 1. Publication of notice should be waived X
- 2. Filing should become effective at end of 45-day statutory notice period on ___/___/___
- 3. Filing should be allowed to become effective on 11 / 1 / 81 which is less than the 45-day Statutory notice period. X
- 4. Filing should be rejected and returned to the utility.
- 5. Operation of the filing should be suspended.
- 6. Part of filing should be accepted effective ___/___/___ and part should be suspended

Reason (s) for the above-indicated recommendation:	PRIOR SURCHARGE	PROPOSED SURCHARGE	INCREASE (DECREASE)
Surcharge Requested	.1948¢/KWH	.1907¢/KWH	(.0041¢/KWH)
Filing Date	10/12/81	11/12/81	
Effective Date -	10/1/81	11/1/81	
Cost of Fuel	\$1.0155/MCF	\$1.0155/MCF	-0-
Efficiency ¹	63.7016KWH/MCF	64.3703KWH/MCF	.6687KWH/MCF
100 KWH/Month Bill - Dollar Impact	\$.19	\$.19	-0-
- Percentage Impact	2%	2%	-0-
500 KWH/Month Bill - Dollar Impact	\$.97	\$.95	(.02)
- Percentage Impact	3.63%	3.55%	(.08%)
Total Monthly Revenue Impact	\$39,094	\$88,072	(\$1,022)

¹ Yearly generation (including waste heat) per MCF	OK	NO
Information Complete	X	
Computations Accurate	X	

COMMENTS: The surcharge is declining because of increased gas generation efficiency (KWH/MCF), increased system efficiency (KWH sold/KWH available), and increased relative use of purchased power.

Signed: Judith M. White Title: Utility Tariff Analyst

Commission decision re this recommendation:

I Concur I Do Not Concur

Guess 107
 Weatherly _____
 Knowles _____
 Hall [Signature]
 Snowden [Signature]

Special Instructions to Staff: _____

TARIFF ACTION MEMORANDUM

12/8/81
(Date)

File No.: TA157 - 120

Date Filed 11 / 5 / 81

Name of Utility ANCHORAGE TELEPHONE UTILITY

Tariff Recommendation:

- 1. Publication of notice should be waived.....
- 2. Filing should become effective at end of 45-day statutory notice period on 12 / 21 / 81..... X
- 3. Filing should be allowed to become effective on ___ / ___ / ___.....
- 4. Filing should be rejected and returned to the utility.....
- 5. Operation of the filing should be suspended.....
- 6. Part of filing should be accepted effective ___ / ___ / ___ and part should be suspended.....

Reason(s) for the above-indicated recommendation:

On November 5, 1981, Anchorage Telephone Utility (ATU) filed a tariff revision (TA157-120) which is a proposal to add rates and charges for Infotron Statistical Multiplex Equipment to the Private Line Service schedule of ATU's tariff. This equipment is designed to transmit data from 4 to 32 channels to a distant point. This is accomplished by compressing the channels with variable data rates up to 9600 bauds (definition attached) per second, onto a single line, transmitting them synchronously or asynchronously, and then expanding them back to appropriate channel ports at the distant point.

The Engineering Section has evaluated the location life (4 years) and labor times and believes they are within the range of reasonableness.

Signed: Doreen A. Johnson (OVER) Title: UTILITY TARIFF ANALYST

Commission decision re this recommendation:

	<u>I Concur</u>	<u>I Do Not Concur</u>
Guss	<u>WJG</u>	
Weatherly	<u>WJG</u>	
Knowles		
Hall		
Snowden	<u>WJG</u>	
Special instructions to Staff:		

12/14/81
(Date)

TARIFF ACTION MEMORANDUM

File No.: TA40 - 121

Date Filed 12 / 10 / 81

Name of Utility Municipal Light & Power (ML&P)

Tariff Recommendation:

- 1. Publication of notice should be waived X
- 2. Filing should become effective at end of 45-day statutory notice period on ___/___/___ _____
- 3. Filing should be allowed to become effective for service on 12 / 1 / 81 which is less than the 45-day Statutory notice period. X
- 4. Filing should be rejected and returned to the utility. _____
- 5. Operation of the filing should be suspended. _____
- 6. Part of filing should be accepted effective ___/___/___ and part should be suspended _____

Reason (s) for the above-indicated recommendation:	PRIOR SURCHARGE	PROPOSED SURCHARGE	INCREASE (DECREASE)
Surcharge Requested	.190¢/KWH	.1846¢/KWH	(.0061¢/MCF)
Filing Date	11/12/81	12/10/81	
Effective Date -	11/1/81	12/1/81	
Cost of Fuel	\$1.0155/MCF	\$1.0155/MCF	-0-
Efficiency	64.3703KWH/MCF	65.4799KWH/MCF	1.1096KWH/MCF
100 KWH/Month Bill - Dollar Impact	\$.19	\$.18	(\$.01)
- Percentage Impact	2%	1.89%	(.11%)
500 KWH/Month Bill - Dollar Impact	\$.95	\$.92	(\$.03)
- Percentage Impact	3.55%	3.44%	(.11%)
Total Monthly Revenue Impact	\$88,072	\$85,463	(\$2,609)
¹ yearly generation (including waste heat) per MCF <div style="display: flex; justify-content: space-around;"> OK NC </div>			
Information Complete	X		
Computations Accurate	X		

COMMENTS:

Signed: Judith M. White Title: Utility Tariff Analyst

Commission decision re this recommendation:

I Concur

I Do Not Concur

- Guess _____
- Weatherly _____
- Knowles _____
- Hall _____
- Snowden _____

Special Instructions to Staff: _____

TARIFF ACTION MEMORANDUM

11/24/81
(Date)

File No.: TA 22 - 122

Date Filed 9 / 02 / 81

Name of Utility ANCHORAGE WATER UTILITY

Tariff Recommendation:

- 1. Publication of notice should be waived..... _____
- 2. Filing should become effective at end of 45-day statutory notice period on ___/___/___..... _____
- 3. Filing should be allowed to become effective on 10/15/81 XX
- 4. Filing should be rejected and returned to the utility..... _____
- 5. Operation of the filing should be suspended..... _____
- 6. Part of filing should be accepted effective ___/___/___ and part should be suspended..... _____

Reason(s) for the above-indicated recommendation:

After investigation and review I have determined that the tariff sheets attached hereto are in compliance with Order No. 1 in Docket U-81-78.

- Except:
- 1) TA # on sheets is 23-122, Should be 22-122
 - 2) Sheet 50, "connectin" should be "connection"
 - 3) Sheet 47, 10.10. Private Fire hydrant Maint. fee -110. should be deleted

Staff Docket Manager *John M. Benson*

Resolution of exceptions:

- 1) & 2) Received verbal permission from AWU (D. Helmick) to make these changed to the tariff sheets.
- 3) Verbally requested AWU to resubmit a corrected Sheet #47 by Monday, November 30, 1981.

Signed: _____ Title: Utility Financial Analyst

Commission decision re this recommendation:

	<u>I Concur</u>	<u>I Do Not Concur</u>
Guess	<u><i>WJG</i></u>	_____
Weatherly	<u><i>M. RW</i></u>	_____
Knowles	_____	_____
Hall	<u>—</u>	_____
Snowden	<u>—</u>	_____

Special instructions to Staff: _____

TARIFF ACTION MEMORANDUM

12/15/81
(Date)

File No.: TA 24 - 126

Date Filed 9 / 18 / 81

Name of Utility ANCHORAGE SEWER UTILITY

Tariff Recommendation:

- 1. Publication of notice should be waived.....
- 2. Filing should become effective at end of 45-day statutory notice period on ___/___/___.....
- 3. Filing should be allowed to become effective on ___/___/___ which is less than the 45-day statutory notice period.....
- 4. Filing should be rejected and returned to the utility.....
- 5. Operation of the filing should be suspended.....
- 6. Part of filing should be accepted effective ___/___/___ and part should be suspended.....
- 7. Read below X

Reason(s) for the above-indicated recommendation:

On September 18, 1981, Anchorage Sewer Utility (ASU) filed TA24-126, an amendment to the Sewer Service Agreement between ASU and the Department of Transportation and Public Facilities (DOTPF) to increase the rates charged DOTPF 13.42% to comply with Order No. 6 in Docket U-80-4. In reviewing the amendment the Commission expressed its concern about the ASU agreements with Fort Richardson and Elmendorf (Military). The Commission's letter order of October 27, 1981, required ASU to submit a written report on the status of the military contracts to include a schedule detailing any dollar amounts presently overdue from the military, if applicable.

On November 27, 1981, ASU's attorney, Pete Argetsinger, filed a letter in response to the Commission's letter order. Staff has reviewed the letter and believes ASU misunderstood the Commission's intentions with respect to the overdue amounts.

(OVER)

Signed: *Leona Jackson* Title: Utility Tariff Analyst

Commission decision re this recommendation:

	<u>I Concur</u>	<u>I Do Not Concur</u>
Guess	<u><i>ESG</i></u>	
Weatherly	<u><i>MW</i></u>	
Knowles	<u>_____</u>	
Hall	<u><i>ES</i></u>	
Snowden	<u><i>ES</i></u>	

Special instructions to Staff: _____

1/15/82
(Date)

TARIFF ACTION MEMORANDUM

File No.: W 41 - 121

Date Filed 1 / 12 / 82

Name of Utility MUNICIPAL LIGHT & POWER (ML&P)

Tariff Recommendation:

- 1. Publication of notice should be waived X
- 2. Filing should become effective at end of 45-day statutory notice period on ___/___/___ _____
- 3. Filing should be allowed to become effective on 1 / 1 / 82 which is less than the 45-day Statutory notice period. X
- 4. Filing should be rejected and returned to the utility. _____
- 5. Operation of the filing should be suspended. _____
- 6. Part of filing should be accepted effective ___/___/___ and part should be suspended _____

Reason (s) for the above-indicated recommendation	PRIOR SURCHARGE	PROPOSED SURCHARGE	INCREASE (DECREASE)
Surcharge Requested	.1846¢/KWH	.0017¢/KWH	(.1829¢/KWH)
Filing Date	12/10/81	1/12/82	
Effective Date -	12/1/81	1/1/82	
Cost of Fuel	\$1.0155/MCF	\$.8844/MCF	(\$.1311/MCF)
Efficiency	65.4799KWH/MCF	69.5528KWH/MCF	4.0729KWH/MCF
100 KWH/Month Bill - Dollar Impact	\$.18	\$.0017	(\$.1783)
- Percentage Impact	1.89%	.02%	(1.87%)
500 KWH/Month Bill - Dollar Impact	\$.92	\$.0085	(\$.9115)
- Percentage Impact	3.44%	.03%	(3.41%)
Total Monthly Revenue Impact	\$85,463	\$792	(\$84,671)

	OK	NO
Information Complete	X	
Computations Accurate	X	

COMMENTS:

The effective date on tariff sheet 101 should be changed to "1982."

Signed: *Rosemary Rosen* Title: Utility Tariff Analyst

Commission decision re this recommendation:

I Concur

I Do Not Concur

Cress *CSG*
 Weatherly *MLP*
 Knowles _____
 Hall *JH*
 Johnson _____

Special Instructions to Staff: _____

TARIFF ACTION MEMORANDUM

2/2/82
(Date)

File No.: U- 81- 29
 U- 81-46

Date Filed 6 /10 /81

Name of Utility Anchorage Telephone Utility

Tariff Recommendation:

- 1. Publication of notice should be waived..... _____
- 2. Filing should become effective at end of 45-day statutory notice period on ___/___/___..... _____
- 3. Filing should be allowed to become effective on 11/ 18/81 ' X
- 4. Filing should be rejected and returned to the utility..... _____
- 5. Operation of the filing should be suspended..... _____
- 6. Part of filing should be accepted effective ___/___/___ and part should be suspended..... _____

Reason(s) for the above-indicated recommendation:

Staff recommends the tariff sheets filed on June 10, 1981, as Supplement A, TA135-120, by Anchorage Telephone Utility (ATU) be approved due to expiration of the suspension period in U-81-29.

As originally filed, TA135-120 was a request to add rates for straight line feature phones for three PBX systems. Comtec, Inc., an interconnect, protested the filing. In Order No. 1, U-81-29, the Commission allowed the rates to go into effect on an interim basis and suspended the filing for further investigation for an initial six-month period not to extend beyond November 11, 1981.

(over)

Signed: *Judith M. White*

Title: Utility Tariff Analyst

Commission decision re this recommendation:

	<u>I Concur</u>	<u>I Do Not Concur</u>
Guess	<i>WJ</i>	
Weatherly	<i>MW</i>	
Knowles	<i>W/P</i>	
Hall	<i>SH</i>	
Snowden	<i>AS</i>	

Special instructions to Staff: _____

staff record
16, 1982.

TARIFF ACTION MEMORANDUM

2/24/82
(date)

File No.: TA42 - 121

Date Filed 2 / 10 / 82

Name of Utility Municipal Light and Power

Tariff Recommendation:

1. Publication of notice should be waived X
2. Filing should become effective at end of 45-day statutory notice period on ___/___/___
3. Filing should be allowed to become effective on 2 / 1 / 82 which is less than the 45-day Statutory notice period, and a docket of investigation should be opened. X
4. Filing should be rejected and returned to the utility.
5. Operation of the filing should be suspended.
6. Part of filing should be accepted effective ___/___/___ and part should be suspended

Reason (s) for the above-indicated recommendation:	PRIOR SURCHARGE	PROPOSED SURCHARGE	INCREASE (DECREASE)
Surcharge Requested	.0017¢/KWH	.0016¢/KWH	(.0001¢/KWH)
Filing Date	1/12/82	2/10/82	
Effective Date -	1/1/82	2/1/82	
Cost of Fuel	\$.8844/MCF	\$.8844/MCF	
Efficiency *	69.5528	70.1191	.5663
100 KWH/Month Bill - Dollar Impact	\$.0017	\$.0016	(\$.0001)
- Percentage Impact	.02%	.02%	
500 KWH/Month Bill - Dollar Impact	\$.0085	\$.0080	(\$.0005)
- Percentage Impact	.03%	.03%	
Total Monthly Revenue Impact	\$792	\$759	(\$33)

* Annual KWH generated (including waste heat) per MCF	OK	NO
Information Complete	X	
Computations Accurate	X	

COMMENTS: See attached memo

Signed: Judith M. White Title: Utility Tariff Analyst

Commission decision re this recommendation:

I Concur

I Do Not Concur

Guess WJ
 Weatherly MJW
 Knowles WJ
 Hall Stz
 Snowden ASB

Special Instructions to Staff: _____

April 6, 1981

In reply refer to: Tariffs
TA132-120

A.C. Pistorius, General Manager
Anchorage Telephone Utility
600 East 38th Avenue
Anchorage, Alaska 99503

Dear Mr. Pistorius:

Enclosed is a validated copy of the tariff sheet filed on February 6, 1981, by Anchorage Telephone Utility. This filing, designated as TA132-120, has an effective date of March 27, 1981.

In consideration of the manner in which the amount of the credit for returning telephone sets was derived, the Commission directs ATU to monitor the appropriateness of the \$5.00 credit amount and be prepared, at the time of consideration of a rate relief request, to provide the Commission with evidence as to why the credit should be continued or, as appropriate, modified.

BY DIRECTION OF THE COMMISSION.

Very truly yours,

ALASKA PUBLIC UTILITIES COMMISSION

John B. Farleigh
Executive Director

JFF
Enclosure

JFF

Item 1

S. O. I. 1071-CTI			
P f rred	OK or	n t	atn
	1.0		
	OK MPA 4/3/81		
			4/3/81
	SM	SM	4-3-81
			4/6/81

STAFF ACTION		
ACTION	INITIALS	DATE
Created by		
Reviewed by		
Checked by	JAA	4/27/81
Approved by	JAA	

April 2, 1981

In reply refer to: Tariffs
TA132-120

A.C. Pistorius, General Manager
Anchorage Telephone Utility
600 East 38th Avenue
Anchorage, Alaska 99503

Dear Mr. Pistorius:

Enclosed is a validated copy of the tariff sheet filed on February 6, 1981, by Anchorage Telephone Utility. This filing, designated as TA132-120, has an effective date of March 27, 1981.

In consideration of the manner in which the amount of the credit for returning telephone sets was derived, the Commission directs ATU to monitor the appropriateness of the \$5.00 credit amount and be prepared, at the time of a general rate examination, to provide the Commission with evidence as to why the credit should be continued or, as appropriate, modified.

BY DIRECTION OF THE COMMISSION.

Very truly yours,
ALASKA PUBLIC UTILITIES COMMISSION

John B. Farleigh
Executive Director

JBF/ga
Enclosure

Handwritten notes:
Do not
...
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...

Handwritten notes:
4/23/81

REGISTRATION ACT		
Filed	UK or	nt
t	LC	atn
OK MPW 4/3/81		
4/3/81		
CU	Su	4-2-81
4/2/81		

STAFF ACTION		
ACTION	INITIALS	DATE
Entered by		
Trans by		
Checked	J. J. J.	4/2/81
Approved	J. J. J.	

April 2, 1981

In reply refer to: Tariffs
TA132-120

A.C. Pistorius, General Manager
Anchorage Telephone Utility
600 East 38th Avenue
Anchorage, Alaska 99503

Dear Mr. Pistorius:

Enclosed is a validated copy of the tariff sheet filed on February 6, 1981, by Anchorage Telephone Utility. This filing, designated as TA132-120, has an effective date of March 27, 1981.

In consideration of the manner in which the amount of the credit for returning telephone sets was derived, the Commission directs ATU to monitor the appropriateness of the \$5.00 credit amount and be prepared, at the time of a general rate examination, to provide the Commission with evidence as to why the credit should be continued or, as appropriate, modified.

BY DIRECTION OF THE COMMISSION.

Very truly yours,
ALASKA PUBLIC UTILITIES COMMISSION

John B. Farleigh
Executive Director

JBF/ga
Enclosure

*Do you
want to
know
the
reason?*

At 10:00 - 10:00 / 10:00

*4/2/81
4/23/81*

May 26, 1981

In reply refer to: Tariffs
TA138-120
U-80-42
U-81-19

A.C. Pistorius, General Manager
Anchorage Telephone Utility
600 East 38th Avenue
Anchorage, Alaska 99503

Dear Mr. Pistorius:

The Commission has approved the proposal of Anchorage Telephone Utility (ATU) to cancel its adopted tariff of the Greater Anchorage Borough Telecommunications Company, Inc. (GAB-TEL), and to apply its present Anchorage area tariff to the areas served under the GAB-TEL tariff. This filing has an effective date of May 26, 1981.

A list of the validated tariff sheets being returned at this time is attached. As the Staff has discussed with ATU, the following procedural matters are still required to complete the application of the Anchorage area tariff to the GAB-TEL area.

1. The maps and service area descriptions need certain corrections; additionally, the numbering of some of the map sheets should be corrected.
2. Sheet 51.01 is not being returned since there is presently no reason for the sheet.
3. Sheet 55.01 should reserve only 55.01.^v
4. A revised sheet 52, showing the addition of the GAB-TEL areas to the presently approved sheet, should be submitted.
5. Sheet 65 is not being returned since this section contains the proposed ESIS tariff section.

6. ATU should supplement the dockets concerning items four and five to make the appropriate revisions to add the GAB-TEL areas.

The Commission will allow ATU 30 days from the date of this letter to submit the needed corrections.

In its review of the filing, the Commission has considered the problem of designating changes to tariff sheets which already contain material which has not yet been approved. The Commission believes the "S" designation, specifying reissued material, should be used to denote as yet unapproved material which is not the subject of the instant filing. As ATU did, the "N" designation should continue to be used to specify the new material added in the instant filing. This procedure should make clearer what changes are under consideration at any particular time.

As a part of its consideration of this filing, the Commission observed that the feasibility study on the provision of extended area service (EAS) to the former GAB-TEL area still has not been filed with the Commission. This report was originally anticipated in July, 1980. The Commission understands that ATU is presently analyzing traffic data and expects to complete the study shortly. Therefore, the Commission directs that the EAS feasibility study be filed with the Commission no later than August 1, 1981.

BY DIRECTION OF THE COMMISSION

Very truly yours,

ALASKA PUBLIC UTILITIES COMMISSION

John B. Farleigh
John B. Farleigh
Executive Director

Referred to	OK or	
Approved	OK MPA 5/26/81	
by	OL	SIL 5-26-81
date	5-26-81	

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by		
Typed by		
Checked by	CMW	5/26/81
Approved by	MPA	5/26/81
"	"	"
"	"	"

May 26, 1981

Just study EAS should be July 1st deadline

In reply refer to: Tariffs
TA138-120
U-80-42
U-81-19

45 days end 5/26/81.

A.C. Pistorius, General Manager
Anchorage Telephone Utility
600 East 38th Avenue
Anchorage, Alaska 99503

Dear Mr. Pistorius:

The Commission has approved the proposal of Anchorage Telephone Utility (ATU) to cancel its adopted tariff of the Greater Anchorage Borough Telecommunications Company, Inc. (GAB-TEL), and to apply its present Anchorage area tariff to the areas served under the GAB-TEL tariff. This filing has an effective date of May 26, 1981.

should be noted

As a part of its consideration of this filing, the Commission observed that the feasibility study on the provision of extended area service (EAS) to the former GAB-TEL area still has not been filed with the Commission. This report was originally anticipated in July, 1980. The Commission understands that ATU is presently analyzing traffic data and expects to complete the study shortly. Therefore, the Commission directs that the EAS feasibility study be filed with the Commission no later than August 1, 1981.

A list of the validated tariff sheets being returned at this time is attached. As the Staff has discussed with ATU, the following procedural matters are still required to complete the application of the Anchorage area tariff to the GAB-TEL area.

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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing of)
Tariff Revisions, Designated as) U-81-29
TAL35-120 and TAL36-120, by)
The MUNICIPALITY OF ANCHORAGE d/b/a) ORDER NO. 1
ANCHORAGE TELEPHONE UTILITY)
for Rates for Straight Line)
Feature Telephones)
_____)

ORDER SUSPENDING TARIFF REVISION AND
GRANTING INTERIM RATES

On March 25, 1981, The MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE TELEPHONE UTILITY (ATU) filed two tariff revisions (TAL35-120 and TAL36-120) to add a nonrecurring charge of \$17.55 and a monthly rate of \$2.35 for straight line feature telephones (wall and desk models) to the rate schedules for three PBX systems: the Rolm CBX (Class H), Rolm SCBX (Class I), and SL-1 (Class J).

The filings were noticed to the public on April 2, 1981, with a closing date of May 4, 1981, for the submission of statements in support of, or in opposition to, the proposed tariff revisions. On May 4, 1981, the Commission received a protest of the filings from Comtec, Inc.

(Comtec), a company engaged in selling, installing, and maintaining telephone equipment, including PBX equipment.

Comtec stated that it appears that the straight line feature telephone is a standard push button telephone that can be used in any residential home or with several other PBX systems in ATU's tariff. Comtec's protest included three specific charges, summarized below.

ALASKA PUBLIC UTILITIES COMMISSION
1100 MacKay Building - 338 Denali Street
Anchorage, Alaska 99501
Phone 276-6222

LXII
100
Stewart

1 1. Through two presently tariffed provisions (a
2 \$3.75 monthly rate under "Station Charges--all PBX Systems"
3 on sheet 98; a \$1.35 monthly rate for each station under
4 "Touch Dialing-Switchboard Systems" on sheet 119), all
5 classes of PBX systems presently pay \$5.10 a month for this
6 type telephone. "It appears that either Classes H, I and J
7 must pay the \$5.10 for a station apparatus like all other
8 classes of PBX service or that the \$5.10 a month rate paid
9 by all other customers of PBX service...be reduced to the
10 \$2.35 charge."

11 2. The proposed \$2.35 rate is less than the
12 residential rate. Comtec stated, "A touch tone residential
13 station apparatus costs \$3.50 per month."

14 3. "Comtec opposes the proposed tariff filing
15 because the 'straight line feature phone' is not defined."

16 In its examination of these filings the Commission
17 has found the ATU tariff difficult to understand. It is
18 unclear whether certain rates in the specific PBX schedules
19 are in place of, or in addition to, the rates in other more
20 general schedules.

21 The Commission observes that some of the rates
22 discussed by Comtec have been in effect at least since ATU
23 filed its previous tariff with the Commission in 1970. At
24 least some of those rates apparently also include some
25 service in addition to the purely instrument rental portion
26 of the rate. While the Commission has made no final judg-
27 ments regarding the validity of Comtec's charges, it does
28 appear that Comtec has attempted to make a reasonable inter-
29 pretation of the ATU tariff, certain portions of which are
30 unclear.

1 The Commission has also learned that the "feature
2 phone" is apparently also presently tariffed for one PBX
3 (Class L) and one key system (System 3). The rates for the
4 "feature phones" in those schedules are different from each
5 other and also vary from the rates proposed in this filing.
6 Thus, it appears that ATU is charging different sets of
7 rates for essentially the same telephone set depending on
8 what PBX or key system the telephone is associated with.
9 Initial analysis indicates that the different rates are due
10 to differences in equipment prices and rate development
11 factors at the times the telephone sets were tariffed.

12 ATU's filing appears to be technically complete
13 and to contain standard rate development information.
14 Moreover, the addition of the equipment to the new PBX
15 schedules will enable ATU to respond to consumer needs.
16 Therefore, the Commission believes it would be in the public
17 interest to allow the filings to go into effect. However,
18 Comtec has raised legitimate questions regarding the
19 internal consistency and clarity of ATU's tariff.
20 Therefore, the Commission believes it would also be in the
21 public interest to allow the proposed rates to go into
22 effect on an interim basis and to suspend the filings for
23 further investigation. Staff did not recommend the proposed
24 rates be refundable because the utility is in total
25 compliance with the Commission's previous directives in that
26 it has used the latest equipment price list and the most
27 recently approved rate development factors. Therefore,
28 Staff does not believe that the cost to the utility to
29 maintain records for refundable purposes is warranted. It
30 appears that the issue before the Commission is how should

ALASKA PUBLIC UTILITIES COMMISSION
1100 MacKay Building - 338 Denali Street
Anchorage, Alaska 99501
Phone 276-6222

1 the variance of rates for essentially the same price of
2 equipment be accommodated when the reason for the rate
3 disparity is the use of the most current equipment price and
4 rate development factors.

5 In the interest of an efficient handling of this
6 matter, the Commission believes it would be appropriate to
7 require ATU to provide an early explanation of, and justifi-
8 cation for, the appropriate method to be used in
9 synchronizing the rates on tariff sheets 48 (Extension
10 Station Service) and 98 (Station Charges--All PBX Systems)
11 and those for specific equipment, in particular PBX and key
12 system schedules. ATU should also include a description of
13 any variations in the service or equipment offered in the
14 "feature telephones" tariffed for the various PBX and key
15 system schedules. The utility was notified of the
16 Commission's decision in this matter by telephone on May 11,
17 1981, and that the written order would be forthcoming.

18 THE COMMISSION FURTHER FINDS AND CONCLUDES:

19 1. ATU is a public utility as defined in
20 AS 42.05.701 and is subject to the regulatory jurisdiction
21 of this Commission.

22 2. ATU's filings designated as TA135-120 and
23 TA136-120 should be allowed to go into effect on an interim
24 basis and should also be suspended for further
25 investigation.

26 3. ATU should be required to file expeditiously a
27 report containing the information described in the body of
28 this Order.

1 4. The Commission Staff should be made a party to
2 this proceeding.

3
4 ORDER

5 THE COMMISSION FURTHER ORDERS:

6 1. The tariff revisions filed by the Municipality
7 of Anchorage d/b/a Anchorage Telephone Utility, designated
8 as TA135-120 and TA136-120, are approved on an interim basis
9 and suspended for an initial six-month period not to extend
10 beyond November 11, 1981.

11 2. Within 30 days of the date of this Order, the
12 Municipality of Anchorage d/b/a Anchorage Telephone Utility
13 shall submit to the Commission a report containing the
14 information described in the body of this Order.

15 3. The Commission Staff is made a party to this
16 proceeding.

17 DATED AND EFFECTIVE at Anchorage, Alaska, this 11th day of
18 May, 1981.

19 BY DIRECTION OF THE COMMISSION
20 (Commissioners Susan M. Knowles - concurring
21 in part and dissenting in part with separate
22 statement Stuart C. Hall, not participating)

23 (S E A L)



ALASKA PUBLIC UTILITIES COMMISSION
1100 Mackay Building - 338 Denali Street
Anchorage, Alaska 99501
Phone 276-6222

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32 U-81-29(1)
Page 5 of 5

Susan M. Knowles separate statement:

I fully concur with this Order with the exception of its waiver of a refund requirement on the interim rates charged pending the conclusion of the investigation of the proposed tariff revisions. The standard refund condition should be maintained in this case given the policy issues on rate development worksheet pricing and tariff organization which were raised by Staff in its preliminary analysis. Thus, further investigation could determine that the utility has complied with a costing procedure which is deficient or otherwise flawed in its results and that the proposed rates require modification. In addition, no showing has been made that a refund prescription will impose an unreasonable expense on the utility at the customer levels projected in its tariff advice letters.

Susan M. Knowles

Commissioner Susan M. Knowles

Pending

JAY S. HAMMOND, Governor

ALASKA PUBLIC UTILITIES COMMISSION
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

1100 MacKay Building
338 Denali Street
Anchorage, Alaska 99501

Phone (907) 276-6222

June 16, 1981

Ted Burns, Esq.
Municipal Attorney
Municipality of Anchorage
632 West 6th Avenue
Anchorage, Alaska 99501

COPY

Dear Mr. Burns:

Re: Certification of Garbage and Refuse Public Utilities

The enactment of Ch. 136, SLA 1980 (FCCS SB 577) repealed the language of AS 42.05.221(f) and portions of AS 42.05.711(b) which exempted garbage and refuse collection and disposal public utilities operating within municipal boundaries (as they existed on January 1, 1973) from having to obtain a certificate of public convenience and necessity for the service area within these boundaries.

The repeal of this language means that all municipal garbage and refuse utilities must possess a certificate of public convenience and necessity for the area served. AS 42.05.221(a), 42.05.701(2)(F), (5)(A). This is required even though, as a municipal utility, under the remaining language in 42.05.711(b) or under the new 42.05.711(j) (annual gross revenues of \$200,000 or less) they may not be subject to economic regulation by the Commission.

Notwithstanding the requirement mentioned above, a municipality may still be exempted from all or any portion of these statutes if, on a Commission finding, no legitimate public interest will be served by requiring compliance. AS 42.05.711(d).

Accordingly, we are enclosing with this letter the following documents:

1. Alaska Public Utilities Commission Act (AS 42.05);
2. Commission Rules of Practice and Procedure;
3. Two copies of the suggested form of application for a certificate of public convenience and necessity;
4. Suggested form of historical financial statements;

Item 9

Ted Burns, Esq.

2

June 2, 1981

5. Suggested form of pro forma financial statements;
6. Sample of an approved tariff form.

The duplicate application form is furnished for your convenience to be used primarily as a working draft. The instructional footnotes are included to assist you in completing your application. Although the Commission's regulation in 3 AAC 48.090 specify an original and two copies of each pleading, the Commission has found that additional copies are needed to facilitate the processing of an application. The Commission requests that the final typed application be submitted in an original and seven conformed copies and should not include the instructional footnotes.

The form itself may be used as the application if you prefer to do so. In that event, any blanks not otherwise filled in should be marked "Not Applicable" or "None" as appropriate.

The Commission is of the opinion that it would not be unreasonable to allow a period of 60 days from the date of this notification in which to file the referenced application. If we can be of assistance in the matter, please do not hesitate to contact us.

BY DIRECTION OF THE COMMISSION

Very truly yours,

ALASKA PUBLIC UTILITIES COMMISSION

T. S. M. M. M. II
for John B. Farleigh
Executive Director

Enclosures

DATE		
ACTION	JW	
DATE	JB	5-15-81
DATE	JW	5-15
DATE	B	5-18
	JBT	

Entered

OK MRW 5/27/81
 OK SU 5-27-81
 OK SU 5-27-81

May 15, 1981

Note: This is a second routing of this draft - 1st draft has apparently been lost

Ted Burns, Esq.
 Municipal Attorney
 Municipality of Anchorage
 632 West 6th Avenue
 Anchorage, Alaska 99501

Dear Mr. Burns:

Re: Certification of Garbage and Refuse Public Utilities

The enactment of Ch. 136, SLA 1980 (FCCS SB 577) repealed the language of AS 42.05.221(f) and ^{portions of} AS 42.05.711(b) which exempted garbage and refuse collection and disposal public utilities operating within municipal boundaries (as they existed on January 1, 1973) from having to obtain a certificate of public convenience and necessity for the service area within these boundaries.

The repeal of this language means that all municipal garbage and refuse utilities must possess a certificate of public convenience and necessity for the area ^{served} ~~it serves~~ AS 42.05.221(a), 42.05.701(2)(F), (5)(A). This is required even though, as a municipal utility, under the remaining language in 42.05.711(b) or under the new 42.05.711(j) (annual gross revenues of \$200,000 or less) they may not be subject to economic regulation by the Commission.

Note: In stating the requirement mentioned above, a municipality may still be exempted from all or any portion of these provisions if on a commercial basis it regulates public utilities which do not meet the regulatory requirements of AS 42.05.711(d).

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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing of a)
Tariff Revision, Designated as) U-81-33
TA139-120, by the MUNICIPALITY OF)
ANCHORAGE d/b/a ANCHORAGE TELE-) ORDER NO. 1
PHONE UTILITY To Change the)
Conditions and Rates for Coin)
Telephone Service)
_____)

ORDER SUSPENDING OPERATION OF TARIFF REVISION,
INSTITUTING INVESTIGATION, AND ESTABLISHING
DATES FOR PUBLIC HEARING AND SUBMISSION
OF PRE-FILED TESTIMONY

On April 17, 1981, the MUNICIPALITY OF ANCHORAGE
d/b/a ANCHORAGE TELEPHONE UTILITY (ATU) filed a tariff
revision, designated as TA139-120, which proposed changes to
the conditions and rates for coin telephone service. The
utility proposed to

- (1) increase the per message rate charges for public
and semi-public coin telephone service from 10¢ to 20¢
per call;
- (2) increase the minimum monthly revenue required as a
basis for continuing service at each location;
- (3) increase installation charges for semi-public
telephone enclosure/supports;
- (4) institute a monthly rate to recover semi-public
coin telephone equipment costs; and
- (5) delete present monthly rates for semi-public
telephone enclosure/support equipment costs.

U-81-33(1) (6/1/81)
Page 1 of 6

ALASKA PUBLIC UTILITIES COMMISSION
1100 MacKay Building - 338 Denali Street
Anchorage, Alaska 99501
Phone 276-6222

LXII
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1 ATU currently compensates the premise holder of
2 public telephone service for furnishing janitorial or other
3 services required, such as power for lighting, at the rate
4 of \$2 per month or 12 percent of the local revenue collected,
5 whichever is greater. The utility is requesting that the
6 compensation be changed to reflect a flat rate of \$9 per
7 month per instrument; this represents the approximate average
8 commission paid in previous years.

9 Other charges include a monthly subscriber rate
10 for semi-public telephone service equal to 50 percent of the
11 monthly zone rate for regular one-party business line service.
12 In addition to the monthly rate, the subscriber would guarantee
13 total revenue from the instrument equal to 2.5 times the
14 regular one-party business line zone rate. The monthly
15 rates which are currently effective for shelfettes, boothettes,
16 and booths would be discontinued.

17 According to the utility, the annual revenue from
18 the currently effective tariff, based on year end 1978
19 records, was approximately \$361,500. Based on the same
20 level of activity, the new rates and charges will produce
21 revenue of approximately \$767,000 (revenue requirement), an
22 estimated increase of \$405,500. The change in the subscriber
23 rate for semi-public telephone service would affect approximately
24 390 customers.

25 The filing was noticed to the public on April 24,
26 1981, with a closing date of May 25, 1981, for filing a
27 statement of views. Two statements were received during
28 that period, one favoring and one opposing the increase in
29 per message rate charges. On May 26, 1981, the Alaska
30

1 Consumer Advocacy Program (ACAP) filed comments requesting
2 the Commission to reject the proposed permanent tariff
3 filing for failure to comply with the filing requirements of
4 3 AAC 48.275 and for failure to meet the interim rate tests
5 set forth in Alaska Public Utilities Commission v.
6 Greater Anchorage Area Borough, 534 p. 2d 549, 554, 557-559
7 (Alaska 1975). ACAP also requested the Commission to
8 investigate various coin telephone practices of ATU and
9 requested additional information filings from ATU, including
10 an updated test year. Also included with ACAP's comments
11 was the result of a consumer call-in survey which showed
12 51 percent of its 116 respondents opposed to the proposed
13 increase.

14 The Commission Staff (Staff) recommended to the
15 Commission that the operation of TA139-120 be suspended to
16 allow Staff investigation of the utility's proposals. Staff
17 also expressed its intention to review the rate development
18 information in view of the most currently available operations
19 and separations data to determine as accurately as possible
20 the current costs of coin telephone services. The Staff
21 also expressed its belief that the extensive filing requirements
22 of 3 AAC 48.275(a) were burdensome and unnecessary for
23 satisfactory resolution of this case.

24 The Commission concurs with Staff and believes the
25 operation of TA139-120 should be suspended for an initial
26 six-month period to allow a full Staff investigation of the
27 proposed tariff revisions. The Commission also believes the
28 rate development review performed by Staff should be in
29 light of the most currently available financial data so as
30

31 U-81-33(1)
32 Page 3 of 6

1 to determine as accurately as possible the costs of coin
2 telephone service, which can then be considered in
3 evaluating ATU's rate increase request.

4 The Commission is of the opinion that it would be
5 in the public interest to schedule a formal hearing to
6 consider the utility's request. The Commission also believes
7 it would be conducive to a fair and expeditious disposition
8 of the proceedings to require the parties to submit a list
9 of witnesses in the order of their appearance and to pre-file
10 written prepared, instead of oral direct, testimony for each
11 witness so identified. 3 AAC 48.150(f). The parties will
12 be specifically precluded from calling witnesses who have
13 not submitted prepared written testimony. Exceptions may be
14 granted by the Commission based on an offer of proof that a
15 witness's testimony is necessary for a complete evidentiary
16 record. Justification for the omission of the witness from
17 the original witness list must be provided.

18 THE COMMISSION FURTHER FINDS AND CONCLUDES:
19

20 1. ATU is a public utility as defined by AS
21 42.05.701 and is subject to the jurisdiction of this
22 Commission.

23 2. The operation of the tariff revision,
24 designated as TA139-120, should be suspended for an initial
25 six-month period, not to extend beyond December 1, 1981.

26 3. Staff should be made a party to this
27 proceeding and should conduct an investigation to determine
28 the accuracy and reasonableness of the utility's
29

30
31 U-81-33(1)
32 Page 4 of 6

1 requested tariff revision, including a review of the
2 supporting cost study and the revenue impact of the revision
3 on new subscribers in light of the most current operations
4 and separations data available.

5 4. A public hearing should be scheduled in Anchorage,
6 Alaska, to consider the proposed tariff revisions to conditions
7 and rates for coin telephone service requested by ATU.

8 5. ATU and Staff should be required to pre-file
9 testimony in accordance with 3 AAC 48.150(f). The parties
10 should also file a list of witnesses in their order of
11 appearance.

12
13 ORDER

14 THE COMMISSION FURTHER ORDERS:

15 1. The operation of the tariff revision,
16 designated as TA139-120, filed by the Municipality of
17 Anchorage d/b/a Anchorage Telephone Utility, is suspended
18 for an initial six-month period, not to extend beyond
19 December 1, 1981.

20 2. The Commission Staff is designated as a party
21 to this proceeding and directed to conduct an investigation
22 into the reasonableness and propriety of TA139-120 as
23 outlined in the body of this Order.

24 3. A public hearing to consider the proposed
25 tariff revisions to conditions and rates for coin telephone
26 service requested by the Municipality of Anchorage d/b/a
27 Anchorage Telephone Utility is scheduled to convene at
28 9:00 a.m., August 11, 1981, in the Commission's hearing room,
29 1100 MacKay Building, 338 Denali Street, Anchorage, Alaska.

30
31 U-81-33(1)
32 Page 5 of 6

1 4. The Municipality of Anchorage d/b/a Anchorage
2 Telephone Utility shall file by 4:00 p.m., July 10, 1981, a
3 list of witnesses, in the order of their appearance, and
4 written prepared testimony for each witness.

5 5. Commission Staff shall file by 4:00 p.m.,
6 July 24, 1981, a list of witnesses, in the order of their
7 appearance, and written prepared testimony for each witness.

8 DATED AND EFFECTIVE at Anchorage, Alaska, this 1st day of
9 June, 1981.

10 BY DIRECTION OF THE COMMISSION
11 (Commissioner Marvin R. Weatherly, not participating)

12

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14 (S E A L)

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U-81-33(1)
Page 6 of 6

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ALASKA PUBLIC UTILITIES COMMISSION
1100 Mackay Building - 338 Denali Street
Anchorage, Alaska 99501
Phone 276-6222

1 STATE OF ALASKA

2 THE ALASKA PUBLIC UTILITIES COMMISSION

3

4 Before Commissioners: Carolyn S. Guess, Chairman
 5 Marvin R Weatherly
 6 Susan M. Knowles
 7 Stuart C. Hall

8 In the Matter of the Application by)
 9 the MUNICIPALITY OF ANCHORAGE d/b/a)
 10 ANCHORAGE WATER UTILITY To Amend Its) U-80-97
 11 Certificate of Public Convenience and)
 12 Necessity No. 122 To Extend Its Ser-) ORDER NO. 2
 13 vice Area South Along Lake Otis Park)
 14 way to O'Malley Road To Include Inde-)
 15 pendence Park and Adjacent Lots)
 16 _____

17 ORDER CLOSING DOCKET

18 Ordering Paragraph No. 2 in Order No. 1 of this
 19 proceeding required the MUNICIPALITY OF ANCHORAGE d/b/a
 20 ANCHORAGE WATER UTILITY (AWU) to file, within 60 days,
 21 tariff sheets describing the amendments to its authorized
 22 service area granted by the Commission. On May 20, 1981,
 23 AWU complied with this requirement.

24 The Commission finds that all outstanding pro-
 25 cedural and substantive matters have been disposed of in the
 26 above-captioned proceeding and that there are no costs to be
 27 allocated to the utility. Accordingly, this Docket should
 28 be closed.

29 ORDER

30 THE COMMISSION FURTHER ORDERS, That, Docket U-80-97
 31 is closed.

32 DATED AND EFFECTIVE at Anchorage, Alaska, this 17th day of
 June, 1981.

 BY DIRECTION OF THE COMMISSION
 (Commissioner Marvin R. Weatherly, not participating)

(S E A L)

51
 Item 6

STATE OF ALASKA
ALASKA PUBLIC UTILITIES COMMISSION
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

JAY S. HAMMOND, Governor

1100 MacKay Building
338 Denali Street
Anchorage, Alaska 99501

Phone (907) 276-6222

June 22, 1981

In reply refer to: Tariffs
TA34-121

Thomas R. Stahr, General Manager
Municipal Light & Power
1200 East First Avenue
Anchorage, Alaska 99501

Dear Mr. Stahr:

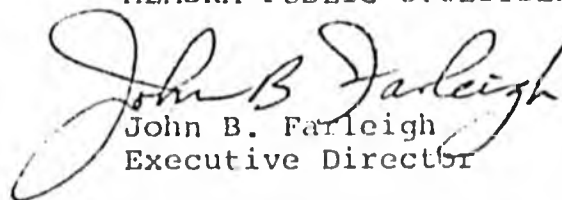
Enclosed are validated copies of tariff sheets filed on June 10, 1981, by Municipal Light and Power (ML&P). This filing, designated as TA34-121, has an effective date of June 1, 1981.

Although the Commission has approved this filing, it is concerned about the continuing lack of generation by the waste heat unit. ML&P is directed to include in its next gas cost rate adjustment filing an explanation of the lack of reported steam generation and ML&P's plans for use of the waste heat unit.

BY DIRECTION OF THE COMMISSION

Very truly yours,

ALASKA PUBLIC UTILITIES COMMISSION


John B. Farleigh
Executive Director

STAFF	
A	
Dist.	JMW 6/19/81
	SKM 6/19/81
	GMW 6/19/81
	TA 6/19/81

NP
 OK wa
 ML SKM 6-19-81
 ML SKM 6/19/81

45 days end
 7/24; utility
 must have advance
 approval to bill 7/1/81

June 19, 1981

In reply refer to: Tariffs
 TA34-121

Thomas R. Stahr, General Manager
 Municipal Light & Power Department
 Municipality of Anchorage d/b/a
 1200 East First Avenue
 Anchorage, Alaska 99501

Dear Mr. Stahr:

Enclosed are validated copies of tariff sheets filed on June 10, 1981, by Municipal Light and Power (ML&P). This filing, designated as TA34-121, has an effective date of June 1, 1981.

Although the Commission has approved this filing, it is concerned about the continuing lack of generation by the waste heat unit. ML&P is directed to include in its next gas cost rate adjustment filing an explanation of the lack of reported steam generation and ML&P's plans for use of the waste heat unit.

BY DIRECTION OF THE COMMISSION

Very truly yours,

ALASKA PUBLIC UTILITIES COMMISSION

John B. Farleigh
 Executive Director

08-H6LH

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

**DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT**
ALASKA PUBLIC UTILITIES COMMISSION

1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501

June 24, 1981

In reply refer to: Tariffs
TA146-120

A. C. Pistorius, General Manager
600 East 38th Avenue
Anchorage, Alaska 99503

Dear Mr. Pistorius:

Enclosed is a validated copy of the tariff sheet filed on May 18, 1981, by Anchorage Telephone Utility (ATU). This filing, designated as TA146-120, has an effective date of July 2, 1981.

In its study of this filing, the Commission reviewed a number of previous filings affecting the Secretarial Answering Service Schedule and noted that the large TASCUM answering system, which was the subject of TA98-120, TA111-120, and TA115-120, is not presently tarified. The Commission urges ATU to review its offerings in the Secretarial Answering Service Schedule to assure that all offerings are properly tarified.

BY DIRECTION OF THE COMMISSION

Very truly yours,

ALASKA PUBLIC UTILITIES COMMISSION


John B. Farleigh
Executive Director

Item 8

STAFF ACTIONS		
AC	INITIALS	DATE
Drafted by	JMW	6/19/81
Typed by	SKM	6/19/81
Checked by	JMW	6/19/81
Approved by	TJM	6/19/81

Referred:

NP

OC WQ 6/19/81

ON SL 6-19-81

MP GMA 6/19/81

June 19, 1981

In reply refer to: Tariffs
TA146-120

45 days
and
7/2/81

A. C. Pistorius, General Manager
600 East 38th Avenue
Anchorage, Alaska 99503

Dear Mr. Pistorius:

Enclosed is a validated copy of the tariff sheet filed on May 18, 1981, by Anchorage Telephone Utility (ATU). This filing, designated as TA146-120, has an effective date of July 2, 1981.

In its study of this filing, the Commission reviewed a number of previous filings affecting the Secretarial Answering Service Schedule and noted that the large TASCOM answering system, which was the subject of TAs 98-120, TA111-120, and TA115-120, is not presently tariffed. The Commission urges ATU to review its offerings in the Secretarial Answering Service ^{Schedule} to assure that all offerings are properly tariffed.

BY DIRECTION OF THE COMMISSION

Very truly yours,

ALASKA PUBLIC UTILITIES COMMISSION

John B. Farleigh
Executive Director

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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing)
of a Tariff Revision, Designated as TA110-120, by the)
MUNICIPALITY OF ANCHORAGE)
d/b/a ANCHORAGE TELEPHONE)
UTILITY for Rates and Conditions for Exchange System)
Used by Interexchange Services)
_____)

U-80-42

ORDER NO. 3

ORDER GRANTING TARIFF REVISION

On April 4, 1980, the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE TELEPHONE UTILITY (ATU) filed TA110-120 proposing rates and conditions for use of the utility's exchange system by interexchange services (ESIS).

The ESIS tariff offering provides unlimited local exchange service to users not located in the utility's service area. ESIS will apply to all services that have the capacity to utilize the local exchange system including, but not limited to, Foreign Exchange (FX), Common Control Switching Arrangements (CCSA), Off-Premise Extensions (OPX), Tie Lines (TL), and authorized MTS/WATS equivalent services provided by Other Common Carriers (OCC). ESIS will not apply to services, such as Message Telephone Service, that contribute, through the settlements process between the long lines carrier and the local exchange utility, to the financing of the cost of exchange facilities.

ALASKA PUBLIC UTILITIES COMMISSION
00 MacKay Building - 338 Denali Street
Anchorage, Alaska 99501
Phone 276-6222

Item 10
Item 12
122

1 On May 8, 1980, ATU filed Supplement "A" to
2 TA110-120 which deaveraged the originally filed ESIS monthly
3 rate of \$160 per exchange system access connection into two
4 categories to reflect different usage characteristics. The
5 utility proposed the following monthly charges per exchange
6 system access connection:

7 MTS/WATS Equivalent Services (OCC) \$350.00
8 Other Services (FX, CCSA, OPX, TL) 90.00

9 The higher monthly rate for MTS/WATS equivalent
10 services provided by OCC's reflect the higher usage per
11 access connection projected by ATU. The access charges were
12 developed based on the same cost allocation methodology used
13 in ATU's annual cost separations studies approved under 3 AAC -
14 48.430. The annual revenue to be realized for the provision
15 of ESIS is anticipated to be \$417,000.

16 A notice of the utility tariff filing was issued
17 April 16, 1980; a notice of amended utility tariff filing,
18 reflecting the rates proposed in Supplement "A", was issued
19 May 14, 1980. Statements objecting to TA110-120 were filed
20 with the Commission by Atlantic Richfield Company (ARCO),
21 Alyeska Pipeline Service Company (Alyeska), Exxon Company
22 U.S.A. (Exxon), and the General Services Administration
23 (GSA).

24 On May 19, 1980, the General Services Administration
25 (GSA), representing the interests of the Executive Agencies
26 of the United States in their capacity as customers of ATU,
27 submitted comments on the proposed tariff.
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1 GSA raises two specific issues. First is the
2 question of tariff administration or application. GSA
3 believes that there is the possibility of ambiguity in the
4 application of the proposed ESIS tariff and ATU's current
5 Alaska Telephone Switching System (ATSS) tariff. Second,
6 GSA questions the jurisdiction of this Commission relative
7 to the application of tariffs of an interstate interexchange
8 nature. It cites a recent conflict between the New York
9 Telephone Company and the Federal Communications Commission
10 (FCC) and agrees with what they conclude to be the FCC
11 position in the dispute.

12 On June 12, 1981, Alascom, Inc. (Alascom), the
13 long lines carrier for Alaska, filed comments supporting the
14 principle advanced in the ESIS filing but expressing specific
15 concerns. They are:

- 16 1. The 3,000 minutes of use per line
17 per month may be understated.
- 18 2. Exception is taken to the use of a
19 composite CSR because it is not
20 standard to the Cost Separations
21 Manual.
- 22 3. TL and OPX services should not be
23 included.
- 24 4. The use of 1977 data is questioned
25 and use of the most current cost
26 information advocated.

27 Due to the complexities of the ESIS filing, Order
28 No. 1 suspended the permanent operation of TA110-120 and
29 denied interim approval. The Commission Staff (Staff) was
30 designated as a party to the proceeding.

31 Order No. 2 in the instant proceeding scheduled a
32 public hearing to be convened at 9:00 a.m., on March 3,

1 1981, in the Commission's hearing room, 1100 MacKay Building,
2 338 Denali Street, Anchorage, Alaska. The Order further
3 extended the suspension period for a period ending 45 days
4 after completion of the public hearing. Upon stipulation of
5 the parties Commissioner Marvin R. Weatherly acted as the
6 hearing officer with the provision that two Commissioners
7 would read the record. The record was received by the
8 Commission on April 30, 1981, and was read by Commissioners
9 Carolyn S. Guess, Chairman, and Stuart C. Hall by May 15,
10 1981. This date is designated as the completion of the
11 public hearing. A certification that the record has been
12 read by Commissioners Guess and Hall is filed in the Docket.

13 On January 22, 1981, Alyeska Pipeline Company
14 petitioned the Commission to intervene in the instant
15 proceeding. That petition noted that its representation
16 included Amerada Hess Pipeline Company, ARCO Pipeline
17 Company, BP Pipeline Company, MOBIL Alaska Pipeline Company,
18 Phillips Alaska Pipeline Company, SOHIO Pipeline Company,
19 and Union Alaska Pipeline Company.

20 The hearing was convened on March 3, 1981. Finding
21 no opposition to the Petition for Intervention (Tr., p. 6)
22 the Commission granted intervior status to Alyeska Pipeline
23 Service Company (Alyeska), ARCO Alaska, Inc. (ARCO), and
24 SOHIO Alaska Petroleum Company (SOHIO). Intervention was
25 granted on a consolidated basis (Tr., p. 11), and for the
26 purpose of this Order the parties granted intervention will
27 be designated Intervenors.
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1 Background - Telephone Industry
2 Cost Separations Procedures

3 Telephone systems today are used interchangeably
4 in providing local exchange,¹ intrastate and interstate
5 message toll service.² Jurisdiction of intrastate communica-
6 tions rests with the state regulatory commissions, while
7 interstate authority resides with the FCC. The jurisdictional
8 separation of the telephone plant may be defined as a series
9 of methods and principles for dividing the investment,
10 expenses, revenues, taxes, and reserves, and assigning them
11 to their respective operations. It should be noted that
12 while jurisdiction has been the driving force in developing
13 these procedures, the same procedures have been used in
14 separating intra-jurisdictional plant.

15 In the early years of telephone industry development,
16 the local companies were not compensated for message toll
17 service. The local exchange rates were based solely on all
18 the costs associated with the use of local exchange service.
19 Long distance carrier rates were based only on their costs
20 of transmission between exchanges. This was known as the
21 board-to-board method of setting rates. In 1930 (prior
22 to the enactment of the Communications Act of 1934) for
23 purposes of fixing just and reasonable rates for interstate
24 and intrastate services, the U. S. Supreme Court held in a

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26 ¹ Telephone Exchange Service means service within a telephone
27 exchange or within a connected system of telephone exchanges
28 within the exchange area operated to furnish to subscribers
intercommunicating service of the character ordinarily
furnished by a single exchange and which is covered by the
exchange service charge.

29 ² Toll Service means any call to a point outside the local
30 service area, the income from which is credited to toll
31 revenue, as distinguished from local and inter-zone calls
32 whose income is credited to exchange revenue.

1 landmark decision³ that the rate base and expenses must be
2 allocated between interstate and intrastate uses. Even with
3 this high ruling, it took more than a decade of negotiations
4 and discussion before the FCC was prompted to implement the
5 high Court's mandate.

6
7 In 1945 the FCC initiated a formal investigation⁴
8 review of jurisdictional separations procedures. This
9 caused American Telephone & Telegraph Co. (ATT) to file
10 interstate tariffs based on the station-to-station principle
11 of costing and ratemaking. The station-to-station approach
12 includes all plant from the originating to the terminating
13 telephone station, including the intermediary loops and
14 local switching facilities; i.e., all facilities necessary
15 for the completion of a toll call. This was followed in 1950
16 by similar tariffs being filed for intrastate toll service,
17 also on a station-to-station basis. Throughout the 1940's
18 to the present time, jurisdictional separations methodology
19 has been under constant review and change - change that for
20 the most part has allocated more costs to toll service.

21 The first Separations Manual which established
22 specific allocation methodology was negotiated by the National
23 Association of Regulatory Utility Commissioners (NARUC), the
24 FCC and ATT in 1947. Its implementation by ATT, however,
25 was delayed until 1952, some 22 years after the Smith decision.

26 Since 1947 the Separations Manual has changed due
27 to social as well as economic pressures and has assumed such
28 colorful and informal titles (based on location where agree-
29 ment was reached) as Charleston (1952), Modified Phoenix

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31 ³ Smith v. Illinois Bell Telephone Co., 282 U.S. 133, 149-51
(1930).

32 ⁴ FCC Docket 6328.

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(1956), and Denver (1956); the current Separations Manual, which is called "Ozark," was adopted in 1971.

The FCC in 1967⁵ pointed to the inexact nature of the proposed separations process:

However, we recognize that allocation of costs is not simply "a matter for the slide rule. It involves judgement on a myriad of facts. It has no claim to an exact science." Colorado Interstate Gas Company v. Federal Power Commission [FPC], 324 U.S. 581, 589. Thus, although a jurisdictional separation must take into account of and measure the uses to which common property is put by several services, it clearly affects the reasonableness or equitableness of the results produced by such measurements.

This point was earlier addressed by Justice Brandeis in speaking for the court in Groesbeck v. Duluth⁶:

It is much easier to reject formulas presented as being misleading than to find one apparently adequate.

The court also noted in Colorado Interstate Gas v. FPC, supra:

Under this act the appropriateness of the formula employed by the Commission in a given case raises questions of fact not law.

The appropriateness of the Separations Manual to the State of Alaska was also addressed in the 1967 decision:

They do not include Alaska and Hawaii by virtue of their geographic location and the nature of the facilities required to serve them, cannot properly be governed by the separations procedures which are appropriate for the other States.

⁵ FCC Dockets 15011 and 16258; 9 FCC 2d, 244

⁶ Groesbeck v. Duluth, S.S. & A.R. Co., 250 U.S. 607, 614, 615, 63 L. Fed. 1167, 1172, PUR 1920A 177, 40 S. Ct. 38 (1919).

⁷ FCC Dockets 15011 and 16258, supra.

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2 In a Recommended Report and Order of the FCC-NARUC
3 Joint Board on Jurisdictional Separations⁸ adopted October 27,
4 1970, Alaska was again excluded from consideration in the
5 separations process:

6 In accordance with the Commission's past
7 decisions regarding jurisdictional
8 separations, these procedures are not
9 necessarily designed to apply to Alaska
and Hawaii in view of the substantially
different conditions existing in the
case of these states.

10 The above language was adopted and noted in the
11 Ozark Manual adopted by the FCC and approved for nationwide
12 use in 1971.

13 By August, 1975, the FCC moved to remove this
14 restriction. In a letter to the Alaska Public Utilities
15 Commission then FCC Chairman Richard E. Wiley stated:

16 Accordingly, we approve the use of the
17 February 1971 edition of the FCC-NARUC
18 Separations Manual for jurisdictional
separations of the operation of RCA
Alascom in Alaska.

19 On July 18, 1975, the APUC, through regulation⁹,
20 adopted the use of the February 1971 edition of the Separations
21 Manual for intrastate separations.

22 The FCC in May, 1977, initiated Docket 21263 to
23 deal with rate integration for the states of Alaska and
24 Hawaii. The docket's prime focus is the formal adoption of
25 a separations process for Alaska and Hawaii. A final Joint
26 Board Order and Recommendation is in the process of being
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29 ⁸ FCC DOCKET 18866, 26 FCC 2d.

30 ⁹ 3 AAC 48.430.
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1 drafted at this time. There is no indication that the
2 nationwide Ozark formula will be modified for application to
3 Alaska.

4 The 1971 Separations Manual (Ozark) has, thus,
5 dictated the telephone cost separations methodology for the
6 State of Alaska since mid-1975.

7 Since the adoption of Ozark, the allocation process
8 has developed minor confrontations but has for the most part
9 served the telephone industry and regulators well. ATT,
10 Alascom and the other large independent telephone companies
11 in providing services such as MTS and WATS¹⁰ have been able
12 to apply the manual in designating that portion of local
13 exchange service expenses to be borne by MTS and WATS services.

14 Until recent years toll service has been provided
15 solely by the telephone common carriers. The Execunet¹¹
16 decision has created a new entity in the field known as the
17 Other Common Carrier (OCC). These are basically telecommuni-
18 cations entities created to provide a form of substitution
19 to the traditional toll network. The Separations Manual, so
20 exhaustively developed since the Smith decision, has no
21 provision to compensate local exchange companies for the use
22 of their exchange facilities by the OCC's in the origination
23 and termination of the OCC toll substitution traffic -- the
24 Execunet decision mandates that interconnection be made but
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27 ¹⁰ WATS (Wide Area Telephone Service) - A special direct
28 distance dialing service which allows a subscriber to make
29 interstate calls at fixed volume rates.

30 ¹¹ MCI Telecommunications Corp. v. FCC, 561 F.2d 365 (D.C.
31 Cir. 1977), cert. denied, 434 U.S. 1040 (1978); MCI
32 Telecommunications Corp. v. FCC, 580 F.2d 590 (D.C. Cir.),
cert. denied, 439 U.S. 980 (1978).

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it is also clear that such interconnection deprives the connecting exchange company of toll revenues and allows the use of the exchange facilities without proper compensation.

In April, 1979, at the prompting of the FCC, ATT and other telephone companies, together with the major OCC's, established a temporary plan to compensate local exchange companies for the use of their facilities. The agreement was accomplished under the auspices of the FCC and has become known as ENFIA (Exchange Network Facilities Agreement). The FCC has termed the agreement a form of "rough justice" in that it has met the immediate need for a formula for compensation. It must be noted, however, that the ENFIA formula is applicable only to the OCC interconnection problem.

With the advent of competition and the mandate of Execunet, telephone exchange companies became more acutely aware of toll revenue diversion and quickly identified FX and CCSA¹² as suspect. FX and CCSA are private line services that have been treated differently from other service offerings. The costs associated with these private line services are assigned wholly to the interstate revenue requirement. The

¹² FX service provides a subscriber with a private line connecting his phone with a telephone exchange not located in his area. Example: A FX subscriber in Anchorage is connected by private line to the Juneau exchange. The subscriber would receive two bills, one for his private line and the other for the charge assessed for local exchange service in Juneau. CCSA (Common Control Switching Arrangement) is a private line system that links the various offices of a company to each other through switches on the subscribers premises. These private line circuits are for the exclusive use of the CCSA subscriber.

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costs, however, associated with the local exchange accessed by such services are assigned wholly to the intrastate revenue requirement. The FCC in regards to FX and CCSA has stated:

... it appears that the Separations Manual might require either change or interpretation to effectuate any such [separations change for FX/CCSA]. Since the Manual is part of our rules, some form of rulemaking or interpretive proceeding would appear necessary. We intend to study the existing compensation mechanism for local telephone companies whose facilities are used in connection with the 'other services' discussed in the agreement [including FX/CCSA]...in the future we will be able to determine whether [the ENFIA approach should be applied], and under what procedures, any changes should be made.¹³ (Emphasis added.)

The FCC has ventured forth with a tentative plan¹⁴ but no firm time frame for implementation has been proposed. The plan was summarized as follows:

Basically, the plan prescribes access charges for four categories of interstate service (MTS/WATS, FX/CCSA access, private line and OCC-ENFIA) that will determine the amounts interchange carriers will pay for the use of exchange plant to originate and terminate interstate traffic.

The FCC further stated that the present separations procedures would be used on an interim basis.

¹³ MCI Telecommunications v. FCC, supra, as cited on p. 6 of Brief for Respondents New York Tel. Co. v. F.C.C., 631 F.2d 1059 (1980).

¹⁴ MTS and WATS Market Structure, Second Supplemental Notice of Inquiry and Proposed Rulemaking, FCC 80-198 (April 16, 1980).

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ATU

ATU pre-filed testimony and presented the following witnesses:

A. J. Moreland (T-1) - ATU, Manager of Engineering and Construction

Ms. Nancy Heller (T-2) - Ernst and Whinney

M. D. Campbell (T-3) - Ernst and Whinney

A. C. Pistorius (T-4) - ATU, General Manager

Witness Moreland set forth the range of services that would fall under the ESIS tariff and the reason for the filing at this time.

Witness Heller presented the general approach used in developing the ESIS rates and the basic assumptions that were made in the rate development.

Witness Campbell explained the 1977 Cost Separations Study and its use in developing the ESIS rates and the modifications to the study that were necessary in order to develop the ESIS rate.

Witness Pistorius covered the factors that caused the utility to develop the ESIS tariff and further explained the recovery of costs associated with providing access from interexchange services that use the exchange facilities of ATU.

The case in chief of the utility argues that historically certain services that have gained access to ATU's local exchange facilities have caused costs to be incurred and that these costs have not been recovered through the cost separations procedures applied to MTS/WATS services. Additionally, by the nature of the access arrangements, such toll revenues have been diverted. The utility stated that costs associated with these access services have been insignificant in the past, but in recent years they have created

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1 a more significant cost to the utility which has been
2 absorbed through ATU's general revenue requirement. With
3 the advent of OCC operations, such as Southern Pacific
4 Communications Company and its request before the FCC to
5 provide service to Alaska, ATU was prompted to reevaluate
6 its tariffs and define the costs associated with access by
7 interexchange services.

8 The utility costing approach is to apply the
9 methodology accepted by this Commission and the FCC as set
10 forth in the Separations Manual of 1971, making certain
11 assumptions in the application of that methodology. The
12 utility used its last Alascom accepted separations
13 study of 1977 and its private line inventory of 1978 in
14 developing the basis of its study (T-2, p. 3). The original
15 ESIS tariff filing provided a single monthly rate of \$160
16 for all access arrangements. Upon further consideration by
17 the utility, it became apparent that such services should be
18 costed on a usage basis; i.e., those who use the local
19 exchange facility more should pay a higher rate. Due to an
20 inability to obtain ESIS usage data, the utility had to make
21 certain assumptions. In the case of the OCC's, the utility
22 used the figure of 3,000 minutes of use supplied by the
23 OCC's and accepted during ENFIA negotiations by ATT, the
24 OCC's and the FCC. For the other ESIS offerings, ATU used
25 the figure of 1.096 minutes of use. This is the average
26 usage per main station in the Anchorage area, the utility
27 believes this is a valid and representative usage amount.
28 Using these assumptions the utility applied the data to the
29 number of channels gathered from its inventory and established
30 an assumed usage for the ESIS service (T-2, p. 3).
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1 The utility developed two revenue requirements in
2 the rate development process for ESIS. The first revenue
3 requirement is for all ESIS services and the second is a
4 revenue for all MTS/WATS equivalent services (OCC). The OCC
5 revenue requirement was then subtracted from the total ESIS
6 revenue requirement, resulting in a residual revenue require-
7 ment that is spread to the other ESIS offerings; i.e., FX,
8 OPX and TL (Exhibits NH-2, 3, 4).

9 Further, in developing the ESIS rates the utility
10 treated ESIS, because of comparability, in a manner similar
11 to the costing methodology used for interexchange services
12 (T-3, p. 4). The primary factors used in the allocation
13 process are: Subscriber line usage (SLU); weighted dial
14 equipment minutes (weighted DEM); subscriber plant factor
15 (SPF); and traffic unit apportionment (TUA). (Exhibit MC-3)
16 Certain modifications were made to the factors after dis-
17 cussion with the Staff consultants.

18 In developing the ESIS rates, the utility used the
19 ATU cost study for 1977. Witness Campbell stated that the
20 ESIS rates should not be adjusted as more current cost
21 studies become available but should be treated the same as
22 other tariff offerings and reviewed at the time ATU files a
23 general rate increase request or when other conditions
24 relative to these services change (T-3, p. 6).

25 STAFF

26 The Staff pre-filed testimony and presented the
27 following witnesses:

28 William J. Warinner (T-5)-Troupe, Kehoe, Whiteaker &
29 Kent

30 Clint Frederick (T-6)-Troupe, Kehoe, Whiteaker & Kent

1 Witness Warriner reviewed the cost development
2 methodology provided by the utility in support of the ESIS
3 filing. Witness Frederick presented rates which he believed
4 the Commission should use in granting approval of the ESIS
5 filing. He also presented certain policy questions which he
6 believed the Commission should address. He further recommended
7 that the ESIS rates be on an inception basis and suggested
8 that they also be interim.

9 The Staff position and analysis is supportive of
10 the ESIS development concept but differs with the utility as
11 to the basis for the rates. The Staff recommends that the
12 ESIS rates be separated into intrastate and interstate
13 jurisdictional rates. This approach calls for the allocation
14 of access charges using a 1.84 interstate and 1.13 intrastate
15 composite station rate (CSR) ratios as a part of the subscriber
16 plant factor (SPF). This approach, according to the Staff,
17 will reflect the relative distribution of expenses and
18 investment attributable to ESIS relative to MTS/WATS. The
19 Staff does, however, present a composite rate approach
20 (WJW-A1) and a summary of the ESIS revenue requirement under
21 this composite method (WJW-C1). The difference in the
22 utility composite rates and those of the Staff is in the
23 application of a different CSR for OCC and FX, OPX, TL with
24 a resultant difference in the factors used in developing an
25 ESIS revenue requirement.

26 Due to uncertainty regarding usage factors and the
27 aged costing information provided by ATU, Staff advocated
28 interim refundable rates for the ESIS services.
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1 INTERVENORS

2 The Intervenor pre-filed testimony and presented
3 the following witnesses:

4 Richard Barton (T-7) - ARCO (adopted testimony
5 pre-filed by Paul Odor)

6 Dennis O'Day (T-8) - SOHIO

7 William J. Benton (T-9) - Alyeska

8 Witness Barton summarized the communications
9 activities of ARCO and found that it is inappropriate for
10 ATU to apply an ESIS tariff to CPX and Tie Line facilities
11 that terminate only at the premises of the customer and not
12 the exchange facilities of ATU. He also stated that the
13 application of the ESIS tariff would result in discrimination
14 between interstate and local customers of ATU. Barton took
15 exception to the utility's representation that the ESIS
16 rates are based on conservative estimates and termed such
17 estimates as nothing more than "unsubstantiated assumptions."

18 Witness O'Day diagrammed the SOHIO system as it
19 relates to ATU. He took exception to some of ATU's assumptions
20 relative to usage and testified that the utility is being
21 adequately compensated by virtue of SOHIO's trunking requirement
22 that maintains a P.01 availability on the ATU provided
23 trunks. O'Day further stated that they could not determine
24 to their satisfaction where the "alleged" \$417,000 revenue
25 requirement came from or how it was established.

26 Witness Benton described the private telephone
27 system of Alyeska and noted that the area that transverses
28 the Trans-Alaska Pipeline is not served by a public telephone
29 system. Benton's testimony presents the view that the
30 proposed tariff is merely a rate increase as a result of
31 existing facilities and is not a new service offering.
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Alyeska, in considering the ESIS tariff nothing more than a rate increase. finds no justification for the increase and the tariff discriminatory.

The basic theme of the Intervenor's presentation is that the ESIS filing is not a new tariff offering, except possibly as it relates to of the OCC's, but merely a rate increase to services that the intervening companies have enjoyed for many years; i.e., FX, OPX, and TL. The Intervenor's believe the revenue requirements to serve their facilities have been met through rate development which is manifested in current tariffs and the approval of the ESIS tariff would in effect amount to double-dipping by double tariffing the same service. They further contend that OPX and TL services are in-house communications and do not use ATU equipment.

Discussion

A fundamental question that must be addressed is whether the ESIS tariff covers services that are in some manner substituting for or diverting toll revenues from the utility and whether this toll diversion creates a revenue requirement for the utility that is not being met through its current tariff.

In the instance of the OCC systems of interconnection with local exchanges, there is no question that toll diversion exist. There is nationwide recognition of this fact as evidenced by the FCC action in the ENFIA proceedings. There is no evidence in this proceeding that would lead this Commission to the conclusion that an interconnection with an OCC in Anchorage would deviate from the experience and history of such interconnections in other jurisdictions in

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1 our nation. To the contrary, the record before the Commission
2 clearly demonstrates that the utility can expect a revenue
3 impact from OCC interconnection and that it is prudent for
4 ATU to anticipate this occurrence by filing a tariff that
5 will cover the revenue requirement associated with the birth
6 of OCC interconnection in Anchorage, Alaska.

7 In the minds of some, the question of toll diversion
8 and a revenue requirement associated with that diversion is
9 not as clear or pronounced in the case of FX, OPX and TL
10 services. The Staff and ATU agree that the application of
11 the ESIS tariff is appropriate for these services, while the
12 Intervenors reject this concept.

13 Again, the basic question is whether these services
14 are or can be used as a toll substitute, thus denying revenues
15 to the utility. Counsel for the Intervenors admits that
16 this is possible (Tr., p. 21). Witness Barton admits that
17 OPX lines serving Kenai and Fairbanks can gain access to the
18 ATU exchange (Tr., p. 318) and also admits that tie-line
19 services to the Prudhoe Bay area are being used for personal
20 telephone calls and by-passing the toll network (Tr., p. 320).
21 Witness O'Day granted that possibly 10 percent of the people
22 in his company have access to the Tie Lines for personal use
23 (Tr., p. 332) and that it is a matter of economic trade-off
24 of whether a caller would use a tie line or the exchange
25 facility at Deadhorse. O'Day also acknowledged the question
26 of toll diversion (Tr., p. 338).

27 The record in this proceeding clearly supports the
28 conclusion that toll diversion exists for FX, OPX, and TL.
29 There is also support for an additional revenue requirement
30 for these services and that the utility is not being compensated
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1 for costs incurred in providing services outside and beyond
2 the normal trunking tariffed rate. The Intervenor have
3 provided no evidence that the assumptions or costing methodology
4 of utility or Staff are erroneously based. In fact, Intervenor
5 witness Benton in Exhibit WJB-2 indicates a measured 1,188
6 off-net calls which results (using a holding time of 4.3 minutes
7 per call) of an average of 1,009 minutes of use per channel.
8 This compares favorably with the 1,096 minutes of use assumed
9 by ATU in its ESIS rate development for FX, OPX, and TL.
10 The fact that a service does not schematically directly
11 interface with an ATU exchange does not eliminate the indirect
12 use of such services to by-pass MTS circuits. The Commission
13 must conclude that the ESIS tariff properly identifies and
14 establishes costs associated with the use of FX, OPX, and TL
15 services. The Intervenor have failed to discredit or raise
16 substantial questions as to the validity of the ESIS tariff.
17 The fact that the Intervenor make use of substantial private
18 line telecommunications does not abrogate their responsibility
19 to assume their fair share of costs associated with their
20 access to the ATU exchange facility. As evidenced by the
21 record in this proceeding, this utility and all local exchange
22 utilities within the State of Alaska must be mindful of the
23 changing times of the telephone industry and the pressures
24 that are coming to bear on their local exchange rates. The
25 Commission is very much aware of the national scenario which
26 is causing enormous economic pressures on local exchange
27 utilities. These pressures may be vented through tariffs,
28 such as ESIS, that gives identity to latent areas of cost.

29 The question of jurisdiction of this Commission to
30 deal with the ESIS tariff has been raised by GSA and the
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1 Intervenors. New York Telephone v. FCC¹⁵ has been cited as
2 the leading case on the issue of the jurisdiction of this
3 Commission to grant approval of the ESIS tariff.

4 The only parallel between the New York case and
5 the instant proceeding is the services of FX/CCSA. The U.S.
6 Court of Appeals ruled that through the action of the New
7 York Public Service Commission, a discriminatory rate involving
8 interstate services was established and the court upheld the
9 FCC order that prevented the New York PSC from requiring
10 discriminatory tariffs by New York Telephone Company. The
11 court stated:

12 In the final analysis, as at first
13 blush, this case is really an adminis-
14 trative jurisdictional dispute, with NYT
15 and interstate FX and CCSA users to some
16 extent caught in the middle. Upholding
17 the FCC order, we force NYT to go back
18 to the state for a new tariff that is
19 consistent with the FCC's March 12
20 order, as the telephone companies have
21 done in California and Missouri cases.
22 Of course, NYT may instead file a new
23 tariff with the FCC, but the future
24 Joint Board proceedings on all separa-
25 tion procedures may delay approval for
26 at least a year. To hold otherwise in
27 this case would permit the PSC to export
28 intrastate telephone costs to interstate
29 users until separations procedures have
30 been revised and all interests accom-
31 modated. In the words of a dissenting
32 PSC member, "[u]niformity in procedures
used to allocate costs among the many
jurisdictions involved is vital," in
fairness to telephone company and rate-
payer alike. NYPSC 2746), at 6 (Larkin,
Comm'r dissenting). The FCC appears to
be seeking such "separations" uniformity
in an orderly way, used successfully for
more than thirty years, which saves
state and private parties alike con-
siderable litigation expense. The PSC
order abrogated by the FCC order which
we affirm would do just about the opposite.

15 New York Tel. Co. v. F.C.C., 631 F.2d 1059 (1980)

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In the instant case the substantial evidence on the record supports the conclusion that ATU's ESIS filing is consistent with the separations procedures approved by this Commission and the FCC. The single pointed variation, which will be discussed below, is the use of a composite CSR in developing the SPF.

No challenge has been made to the methodology employed by the utility or the Staff. Based on this evidence the Commission finds that there is no undue discrimination and the procedures employed by the utility and Staff are consistent with the findings of the court in the New York Telephone Company case.

Having established that ATU's ESIS tariff is properly before the Commission and the methodology used to establish rates for the proposed services is nondiscriminatory, the question is which rate development approach is more appropriate and on target with the decision in the New York Telephone Company case. The utility states the composite CSR approach is the only viable method at this time while Staff argues for a separated interstate and intrastate rate approach.

In the ideal world where the universe would include total usage information availability to the utility, the Staff approach would merit serious consideration. Unfortunately, the utility is giving birth to a concept in an imperfect environment. While the Intervenors acknowledge the availability of some traffic information, the scope and applicability of the information available leads the Commission to the conclusion that this approach would be speculative at best, with the high potential of being subjective;

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1 i.e., being supplied by the consumer of the service in
2 question. Clearly, the utility and the Commission would
3 require some form of verification; however, there is no
4 evidence that such verification is possible. The Commission
5 is aware that with changing technology the entire question
6 of usage sensitive pricing will be a future consideration of
7 this body as well as the utility.

8 Even if the Commission could accept the separated
9 approach at this time, this would mandate the filing of an
10 interstate tariff with the FCC, and as noted by the court in
11 the New York Telephone Company decision, this would result
12 in a considerable delay. Such a delay is not required
13 through the adoption of the composite CSR approach. If at
14 some point in time the FCC mandates the separated approach
15 to the ESIS type services offered by a local exchange utility,
16 and there is a Federal/State procedure that protects the
17 intrastate jurisdiction, this Commission would of course
18 reexamine the issue. The Staff has presented no compelling
19 reason for separation at this time. Such an approach would
20 be counterproductive and not in the public interest today.

21 On April 9, 1981, the Intervenor's filed a Motion
22 for Filing of an Otherwise Unauthorized Document. The
23 document filed is the FCC News Release of March 13, 1981,
24 dealing with the action of the FCC in CC Docket No. 81-161.
25 Docket 81-161 deals with the tariff filing of the Hawaiian
26 Telephone Company (HTC) relating to local exchange involving
27 interstate access. The Commission will accept this document
28 as part of the record in this proceeding but will note that
29 the full order noted in the News Release is available to the
30 Commission in its FCC file. The Commission can find no

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1 substance to the HTC tariff filing that would lead to a
2 different conclusion in the instant proceeding. The fact
3 that HTC selected the FCC as its regulatory forum does not
4 negate the approach selected by ATU. In addition, this
5 Commission is not privy to the possible intrastate regulatory
6 or statutory constraints that may have led HTC to file with
7 the FCC.

8 As previously stated, the main difference in the
9 rate development approach advocated by the Staff and the
10 Utility is the CSR. The utility used a composite CSR for
11 FX, OPX, and TL and the interstate CSR for OCC. The Staff
12 uses the same CSR for all ESIS services in developing its
13 modified composite rate. The Staff maintains that the ATU
14 method gives a preferential rate to the non-ESIS customers.
15 The Commission agrees with the Staff position at this stage
16 of developing the ESIS rates. Until such time as the utility
17 has developed an operating history under the ESIS tariff and
18 a national regulatory master scheme is established, it would
19 be in the public interest to establish rates that carry no
20 stigma of rate preference. The Commission will accept the
21 Staff-modified composite rate as noted in schedule WJW A-1.
22 The Commission believes the Staff rate development accurately
23 represents the ESIS revenue requirement. The Staff total
24 ESIS revenue requirement of \$372,854 results in the following
25 rates:

26	Foreign Exchange	\$ 99
27	Off Premise Extension	\$ 99
28	Tie Lines	\$ 99
29	Other Common Carrier	\$265

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1 While the utility cost study and Staff review give
2 the Commission confidence in the proposed rates, there is
3 the lingering question of the rates being based on aged
4 data. It is somewhat ironic that Alascom would raise this
5 point as there are indications that Alascom may be a part of
6 the problem or at least a contributor to the delay in gaining
7 current cost information. In consideration of this problem,
8 the Commission will consider the ESIS rates to be inception
9 rates. The utility will be required to file annually,
10 beginning July 1, 1982, cost information in support of its
11 ESIS rates. No adjustment in tariff rates will be required
12 if the cost studies show a variation of less than ± 5 percent.
13 Alascom is being requested, informally at this time, to
14 review its procedures for cost studies and settlements with
15 local exchange utilities with the goal of shortening the
16 time period for approval. This problem extends beyond the
17 instant proceeding and may call for more direct action by
18 the Commission in a separate proceeding.

19 The Staff and Intervenors have argued that the
20 ESIS tariff be granted on a refundable basis. The unique
21 nature of the tariff and the aged data, it is argued, support
22 their position. The Commission cannot concur with this
23 position. There is no evidence that would lead the Commis-
24 sion to the conclusion that the costs associated with ESIS
25 will be reduced by virtue of new cost data. To the contrary,
26 the evidence on the record shows a most conservative approach
27 which could lead to the conclusion that new data could
28 result in higher rates. Interim rates are designed to
29 protect the consumer and not the utility from possible
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1 overcharge. There is no evidence to imply that this possi-
2 bility exists in the instant proceeding. The Commission
3 mandate that the rates are inception rates will adequately
4 protect the utility and the consumer by forcing an annual
5 review of them.

6 THE COMMISSION FURTHER FINDS AND CONCLUDES:
7

8 1. ATU is a public utility as defined in AS
9 42.05.701 and subject to the regulatory jurisdiction of the
10 Commission.

11 2. The cost separations study in support of
12 tariff revision designated TA110-120 is consistent with the
13 Separations Manual, February 1971 edition, and adopted by
14 the Commission under 3 AAC 48.430.

15 3. The Commission has authority to grant approval
16 of exchange access rates proposed in tariff revision desig-
17 nated TA110-120.

18 4. Toll diversion is being experienced by ATU
19 through access of the ATU exchange facilities by subscribers
20 to FX, OPX, and TL services.

21 5. ATU will experience toll revenue diversion
22 with the interconnection of OCC companies.

23 6. Toll revenue diversion constitutes an additional
24 cost to the utility and an unfair burden to the general rate
25 payer of the utility.

26 7. The rate development methodology, with the ex-
27 ception of the CSR ratio used, is reasonable and results in
28 rates that are nondiscriminatory.

29 8. ATU should use the composite CSR ratio advocated
30 by Staff.

31 9. The ESIS tariff rates should be inception
32 rates with provision for annual review.

1 10. The ESIS tariff rates should be nonrefundable.

2 ORDER

3 THE COMMISSION FURTHER ORDERS:

4 1. The tariff revision designated as TA110-120 by
5 the Municipality of Anchorage d/b/c Anchorage Telephone
6 Utility is approved subject to the conditions set out in the
7 body of this Order.

8 2. The rates established under TA110-120 are
9 approved as follows:

10 Foreign Exchange \$ 99
11 Off Premise Extension \$ 99
12 Tie Line \$ 99
13 Other Common Carrier \$265

14 3. The rates established under TA110-120 are
15 inception rates.

16 4. The Municipality of Anchorage d/b/a Anchorage
17 Telephone Utility shall file annually cost information in
18 support of the rates approved under TA110-120. No tariff
19 revision will be required if as a result of the cost infor-
20 mation the rate variation is less than ±5 percent.

21 5. The Municipality of Anchorage d/b/a Anchorage
22 Telephone Utility shall file revised tariff sheets consistent
23 with this Order within 30 days of the date of this Order.
24 Each tariff sheet effected shall clearly note that the rates
25 are "INCEPTION RATES SUBJECT TO ANNUAL REVIEW."

26 DATED AND EFFECTIVE at Anchorage, Alaska, this 26th day of
27 June, 1981.

28 BY DIRECTION OF THE COMMISSION
29 (Commissioner Susan M. Knowles, not participating)

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31 (S E A L)

32 U-90-42(3)
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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing of a)
Tariff Revision, Designated as) U-80-42
TA110-120, by the MUNICIPALITY OF)
ANCHORAGE d/b/a ANCHORAGE TELE-)
PHONE UTILITY for Rates and Con-)
ditions for Exchange System Used)
by Interexchange Services)

ERRATA NOTICE

ORDER NO. 3

ORDER GRANTING TARIFF REVISION
(Issued June 26, 1981)

- Page 10, line 10-1/2: Delete "Agreement" and Insert "for Inter-
state Access".
- Page 23, line 30: Add "CCSA \$ 99".
- Page 26, line 13: Add "Common Control Switching Arrange-
ments \$ 99".

DATED AND EFFECTIVE at Anchorage, Alaska this 8th day of July,
1981.

BY DIRECTION OF THE COMMISSION
(Commissioner Susan M. Knowles, not participating.)

(S E A L)



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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing of)
a Tariff Revision, Designated as)
TA26-121, by the MUNICIPALITY OF)
ANCHORAGE d/b/a MUNICIPAL LIGHT &)
POWER DEPARTMENT for an Interim)
and Permanent Rate Increase)
_____)

U-80-100
ORDER NO. 5

ORDER EXTENDING SUSPENSION PERIOD

On May 18, 1981, the Commission issued a Bench Order in this proceeding granting the MUNICIPALITY OF ANCHORAGE d/b/a MUNICIPAL LIGHT & POWER DEPARTMENT (ML&P) an across-the-board increase of 28.06 percent to its existing recurring permanent rates for billings on or after June 1, 1981. The Commission indicated that that action was taken prior to issuance of its formal order setting forth its findings of fact and conclusions of law in order to accommodate the then pending \$14 million bond sale by ML&P. In view of the workload of the Commission at this time and the varied issues involved in this proceeding, the Commission finds that the suspension period for TA26-121 must be extended in order for all the issues to be adequately addressed. The interests of the utility and of the consumer are protected by virtue of the 28.06 percent increase granted in the May 18, 1981, Bench Order.

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ORDER

THE COMMISSION FURTHER ORDERS, That, the operation of the tariff revision, designated as TA26-121, filed by the Municipality of Anchorage d/b/a Municipal Light & Power Department is further suspended until September 1, 1981, with the exception of that portion of the tariff addressing permanent rates for recurring charges which were increased by 28.06 percent effective June 1, 1981.

DATED AND EFFECTIVE at Anchorage, Alaska, this 30th day of June, 1981.

BY DIRECTION OF THE COMMISSION
(Commissioner Susan M. Knowles, not participating)

(S E A L)



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1 STATE OF ALASKA

2 THE ALASKA PUBLIC UTILITIES COMMISSION

3 Before Commissioners: Carolyn S. Guess, Chairman
4 Marvin R. Weatherly
5 Susan M. Knowles
6 Stuart C. Hall

7 In the Matter of the Filing of a)
8 Special Contract Between the) U-78-85
9 MUNICIPALITY OF ANCHORAGE d/b/a)
10 MUNICIPAL LIGHT & POWER DEPARTMENT) ORDER NO. 6
11 and the UNITED STATES OF AMERICA)
12 d/b/a FEDERAL AVIATION ADMINI-)
13 STRATION)

14 ORDER CLOSING DOCKET

15 The Commission finds that all outstanding procedural
16 and substantive matters have been disposed of in the above-
17 captioned proceeding and there are no allocable costs under
18 AS 42.05.651 and 3AAC 48.150(n)-(1). Accordingly, this
19 Docket should be closed.

20 ORDER

21 THE COMMISSION FURTHER ORDERS, That, Docket U-78-85 is
22 closed.

23 DATED AND EFFECTIVE at Anchorage, Alaska, this 21st day of
24 July, 1981.

25 BY DIRECTION OF THE COMMISSION
26 (Commissioner Stuart C. Hall, not participating)

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32 U-78-85(6) 7/21/81
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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing of a Tariff Revision, Designated as TA26-121, by the MUNICIPALITY OF ANCHORAGE d/b/a MUNICIPAL LIGHT & POWER DEPARTMENT for an Interim and Permanent Rate Increase
U-80-100
ORDER NO. 6

ORDER AFFIRMING BENCH ORDER GRANTING RATE INCREASE; ESTABLISHING REVENUE REQUIREMENT AND REQUIRING COST-OF-SERVICE STUDY

On October 24, 1980, the MUNICIPALITY OF ANCHORAGE d/b/a MUNICIPAL LIGHT & POWER DEPARTMENT (ML&P) filed a tariff revision, designated as TA26-121, requesting across-the-board interim and permanent rate increases of 23 31 per cent (\$3,887,225 in additional revenues). Further, the filing requested that the utility be allowed to:

- 1. use a 1.406 proforma debt service coverage ratio which is based on maximum future debt service coverage;
2. implement a \$15 connection charge when permanent rate relief is granted. The connection charge reflects changes in the currently effective schedule of fees and charges and Tariff Rule 7.13. (ML&P Tariff Sheets 29, 42, 43 and 100); and
3. delete Rule 7.4 Primary Metering Discount. (ML&P Tariff Sheet No. 43).

The filing was noticed to the public on October 31, 1980, with a closing date of November 28, 1980, for the filing of statements in support of, or in opposition to, the

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1 proposed tariff revision. The Commission received letters
2 from Messrs. Carmen Smith and J. P. Burrell opposing the
3 increase and expressing general dissatisfaction with the
4 utility's operations. A third response was filed by the
5 Coalition for Economic Justice requesting that the increase
6 be denied unless a lifeline rate was incorporated into the
7 overall rate structure.

8 Order No. 1, issued December 30, 1980, suspended
9 the operation of TA26-121 for an initial six-month period
10 ending June 30, 1981, to allow the Commission Staff (Staff)
11 an opportunity to adequately investigate the tariff revision
12 request. That Order also granted ML&P an interim refundable
13 rate increase of 23.07 percent and required the utility to
14 file by February 15, 1981, a permanent revenue requirement
15 based on a 1980 test year, in accordance with the filing
16 requirements of 3 AAC 48.275. This requirement was based on
17 the fact that an across-the-board increase of only 3.46 per-
18 cent was supportable by the utility's initial filing.
19 However, Staff had access to operating results for the
20 ten-month period ending October 31, 1980, and determined
21 that the 1979 test year filing was not representative of
22 ML&P's actual financial position. Staff's observation was
23 that an increase of substantially more than 3.46 percent
24 would be needed in order for the utility to avoid default on
25 its bond covenants. Order No. 1 also designated the Staff
26 as a party to this proceeding.

27 The supplemental filing, received on February 17,
28 1981, requested a permanent rate increase of 29.56 percent
29 plus a roll-in of an 11.27¢/MCF increase in the base price
30 of natural gas. The filing also requested the addition of a
31
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1 Fuel Oil Cost Rate Adjustment (FOCRA) to its tariff and the
2 revision of its gas cost rate adjustment clause (GCRA) to
3 reflect a base cost of gas at 88.31¢/MCF.

4 The supplemental filing was noticed to the public
5 on March 5, 1981. Although no letters of protest were
6 received regarding the filing supplement, on March 31, 1981,
7 the Alaska Consumer Advocacy Program (ACAP) filed a Petition
8 To Intervene in this proceeding. In its petition ACAP
9 stated, among other things, that it was a State-funded
10 project designed to represent consumer interests before
11 State regulatory commissions and that ACAP's interests could
12 only be protected by being allowed intervention in this
13 proceeding since none of the existing parties "strictly
14 advocate the consumer interest." ACAP Petition, p. 1.

15 Order No. 2, dated March 20, 1981, scheduled a
16 public hearing in this proceeding on April 28, 1981, in the
17 Commission's hearing room. Order No. 2 also established the
18 schedule for the submission of witness lists and written
19 testimony by the utility and Staff. That schedule was
20 subsequently modified by Order No. 4 to allow ML&P to late
21 file the testimony of Mr. Walter Filkin, an expert on the
22 tax-free municipal revenue bond market, and to concurrently
23 grant an extension of time to Staff to prepare testimony
24 with respect to Filkin's testimony.

25 With regard to ACAP's Petition To Intervene, the
26 Commission in Order No. 3, issued April 1, 1981, stated
27 that:

28 The ACAP Petition To Intervene lacks the specificity
29 that is demanded by 3 AAC 48.110(c) and fails to meet
30 the standard set out in U-77-16(2). Order No. 3, p. 4.
31 Therefore, the Commission rejected the petition without
32 prejudice.

1 On April 21, 1981, ACAP filed Formal Written
2 Comments regarding the proposed tariff revision. ACAP cited
3 eight areas of concern with regard to TA26-121. It was
4 ACAP's contention that:

- 5 1. Residential consumers pay a disproportionately
6 higher share of increased consumption costs than do
7 industrial and commercial users, and this would be
8 exacerbated by the proposed rate increase. Therefore,
9 the Commission should institute a rate redesign pro-
10 ceeding addressing ML&P's electric rates;
- 11 2. ML&P's equity pay out under Municipal Ordinance
12 AO-94-76-A is unfair and unreasonable because it places
13 an unreasonable and excessive burden on ML&P's capital
14 structure. Therefore, the Commission should eliminate
15 or substantially reduce the equity pay out;
- 16 3. ML&P should not be allowed to modify to 60/40 the
17 hypothetical debt/equity ratio of 70/30 established in
18 U-76-11. ACAP asserted that the 70/30 ratio is more
19 realistic and does not place an undue burden on rate-
20 payers;
- 21 4. The cost of diesel fuel to ML&P is relatively
22 small, and the FOCRA should not be implemented at this
23 time;
- 24 5. Tariff Rule 7.12, Change of Occupancy, is vague
25 and should be modified to define "reasonable notice" to
26 the utility. ACAP recommended use of a 24-hour notice
27 requirement as reasonable notice;
- 28 6. ML&P's revenue calculations do not include tax
29 savings as contemplated by Senate Bill 125. ACAP
30 asserted that these savings should result in a lower
31 revenue requirement;

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1 7. ML&P's "Other Interest Expense" has increased
2 substantially and should be carefully examined; and
3 8. The amount of ML&P's uncollectible accounts has
4 also increased, and the reasons therefor should be
5 examined.

6 The Commission convened in public hearing at
7 9:00 a.m., April 28, 1981, in the Commission's office for
8 the purpose of taking testimony regarding ML&P's proposed
9 tariff revision, TA26-121. The hearing also continued on
10 April 30 and May 1, 1981. The hearing was conducted before
11 Commissioner Marvin R. Weatherly, serving as Presiding
12 Officer; Commissioners Carolyn S. Guess, Chairman; and
13 Stuart C. Hall.

14 ML&P was represented by its attorney Roger M.
15 Kempel and presented the following company witnesses:
16 Richard O. Fry, Financial Services Manager, ML&P; Thomas R.
17 Stahr, General Manager, ML&P; Max Foster, Revenue Require-
18 ments Supervisor, ML&P; John Parisena, Audit Manager, Arthur
19 Young & Company; and Walter W. Filkin of Van Kampen, Filkin
20 & Merrit, Inc., investment bankers.

21 Staff was represented by its counsel, C. Barclay
22 Jones, Assistant Attorney General, and presented as witnesses:
23 Carolyn L. Evans, Utility Financial Analyst III; and Robert J.
24 Barber, Utilities Engineer III.

25 Also attending the hearing were several of the
26 utility's consumers, members of the media, and ACAP, repre-
27 sented by its attorney and director, Deborah Lee Williams.

28 On May 6, 1981, ACAP filed Post-Hearing Written
29 Comments which requested, among other things, that the Com-
30 mission grant ML&P an increase of not more than 24.24 per-
31 cent.
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1 On May 18, 1981, the Commission issued a Bench
2 Order in this proceeding acknowledging the necessity for
3 priority action in establishing permanent rates for ML&P
4 before June 1, 1981, in order for the utility to be able to
5 sell a \$14 million bond issue. The Bench Order granted the
6 utility an across-the-board 28.06 percent increase to its
7 existing recurring permanent rates, effective for billings
8 rendered on or after June 1, 1981. The Bench Order also
9 notified the parties that the Commission would subsequently
10 issue a formal order setting forth its findings of fact and
11 conclusions of law regarding the 28.06 percent permanent
12 rate increase.

13 Because of the pressing workload of the Commission,
14 Order No. 5 extended the suspension period in this proceeding
15 until September 1, 1981.

16 REVENUE REQUIREMENT

17 During the hearing ML&P amended its request for a
18 permanent rate increase to reflect a decrease in operating
19 expenses as a result of HCSSB 125, sec. 2 Ch 6 SLA 1981.
20 The revised revenue requirement, \$24,013,357 for the test
21 year ended December 31, 1980, was supported by Staff. In
22 its post hearing comments ACAP proposed a reduction in the
23 utility's revenue requirement to decrease depreciation
24 expense and the return on rate base.

25 Operating Expenses

26 Under cross-examination, Staff witness Evans
27 responded to questions raised by ACAP in its Formal Written
28 Comments. The categories of operating expenses targeted by
29 ACAP as questionable because of their percentage increase
30 over 1979 costs were examined by Evans during the Staff's
31 audit. The Commission is satisfied by Staff response that
32

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1 the increases in transmission, administrative and general
2 and uncollectible account expenses are substantiated and
3 reasonable. In addition, the Commission agrees that the
4 request of ML&P to reflect a base price of gas at 88.31¢/MCF
5 for the 1980 test year conforms to Commission policy.

6 Depreciation

7 In the utility's filing, the asset lives of the
8 Steam Production Plant and Account 392, General Plant, were
9 not in compliance with Commission Order No. 10 in U-76-11.
10 In his pre-filed testimony, Staff witness Barber recommended
11 that the Commission affirm its decision in that Docket which
12 provided for the use of the mid-point of the IRS depreciation
13 guidelines for all plant categories except Account 343, gas
14 turbines, absent a depreciation study. Because Staff believed
15 the amount of its proposed adjustment to depreciation expense
16 would not have a material effect on the utility's revenue
17 requirement, Staff recommended that future proceedings should
18 reflect the depreciation lives established by U-76-11(10).

19 The utility defended its proposed asset life of
20 the Steam Production Plant through testimony of General
21 Manager Stahr. He testified that because the steam plant
22 and gas turbine are operated together, i.e., absent the gas
23 turbine the steam plant does not function, a uniform life
24 for both is reasonable. Stahr did acknowledge that the
25 steam plant has a longer life than the gas turbine. When
26 questioned about replacing the gas turbine and thereby
27 continuing the usefulness of the steam plant, he stated that
28 in consideration of the Fuel Use Act and the uncertainty of
29 available natural gas supplies in 15-16 years, there is no
30 guarantee that a replacement gas-fired unit would be purchased.
31 In Stahr's judgment, when the gas turbine is retired, the
32 steam plant will not be useful.

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1 During cross-examination Staff did agree that the
2 operation of the steam plant depends on the existence of the
3 gas turbine. The steam plant was not included on the depreci-
4 ation schedule in U-76-11; and there has been no depreciation
5 study performed on either of these units. Therefore, Staff,
6 in compliance with the previous Commission decision, recommended
7 a useful life of 28 years as opposed to 16 2/3 years proposed
8 by ML&P.

9 The effect of Staff's proposal to adjust the
10 depreciation life of the steam plant represents approxi-
11 mately 1 percent of the revenue requirement. The Commission
12 concurs that for the purpose of this proceeding no adjust-
13 ment to the revenue requirement is warranted. However, the
14 issue of the appropriate life for the steam plant requires
15 resolution. The Commission is persuaded, at this time, that
16 the utility's argument in support of a uniform life for the
17 steam plant and the gas turbine is reasonable. Since the
18 Commission accepted a shorter life for the gas turbines in
19 U-76-11 because they are used as base load rather than for
20 peaking, it follows that the shorter life for the Steam
21 Production Plant Account is consistent. It may be, con-
22 sidering the testimony of Stahr regarding the dilemma facing
23 the utility in maintaining continuing property records of
24 its generation plant, that a depreciation study should be
25 undertaken. The Commission is hesitant to order a study at
26 this time because of the financial position of the utility.
27 It will reserve the right to do so in the future, however,
28 and to adjust the lives of the gas turbines and steam plant
29 accordingly.

30 Rate of Return

31 The utility presented two witnesses, Frye and
32 Foster, to support its request that a hypothetical capital

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1 structure of 60 percent debt and 40 percent equity be granted
2 in this proceeding. The utility test year capital structure
3 of 7.0446 percent debt and 15 percent equity, allowed in
4 U-79-13, results in a weighted cost of capital of 10.2267 per-
5 cent. The utility testified that an appropriate rate of
6 return must be determined by ML&P's ability to attract new
7 debt capital. It contended that its requested return would
8 allow ML&P to sell \$14 million of revenue bonds which is
9 required to finance the immediate construction needs of the
10 utility. Without revenue from the bond sale the utility
11 testified that the planned construction could not proceed.

12 General Manager Stahr testified that the proposed
13 improvements are in three areas; transmission, distribution
14 and general plant. The transmission improvements, he stated,
15 are to increase reliability and reduce line loss. The major
16 distribution improvements are needed to gradually retire the
17 distribution voltage in the older area of town, i.e., the
18 downtown business area. in order to serve the larger com-
19 mercial buildings planned in the area defined as bounded by
20 Third Avenue to the north, Sixth Avenue to the south, Gambell
21 Street to the east, and L Street to the west. In addition,
22 the airport area will also receive distribution improvements.
23 Stahr testified that major expenditures for main generating
24 units were not proposed at this time; however, both generation-
25 related expenditures and monies for the engineering required
26 to determine the utility's next peaking unit would emanate
27 from the proposed bond sale. Stahr stated that the priori-
28 ties of the ML&P customers he has talked to are reliability
29 of service and undergrounding of the distribution system.
30 He conceded that the consumers want good electric service at
31 the lowest possible cost but paramount in their mind is
32 reliable service; and he testified he believes they are

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1 willing to pay for it. In his pre-filed testimony, Stahr
2 discussed the past decisions of ML&P to hold rates down at
3 the expense of building equity. Today, however, the utility
4 has found that while attractive in the short run, this
5 philosophy can be financially disastrous and must be changed.
6 His testimony supported that of financial witnesses Foster
7 and Frye that the downward equity spiral of ML&P since 1976
8 must be reversed.

9 ML&P has suffered equity attrition in every year
10 except 1978 for the last five years. According to witness
11 Foster, ML&P's equity capital was 21.1 percent in 1976 and
12 during the test year it was 10.6 percent. Foster recalled
13 that in Docket U-79-13, the last permanent rate request of
14 ML&P, the return requested and granted was derived after
15 determining the debt service coverage required to sell
16 additional revenue bonds and noted the similarity to the
17 instant proceeding. Foster noted that because the rate base
18 is considerably larger than that in 1978, the utility has
19 requested the same return on equity (15 percent) allowed in
20 U-76-11.

21 Frye's pre-filed testimony provided historic and
22 future calculations of debt service coverage which supported
23 the utility's contention that in order to market its \$14 million
24 bond issue, a permanent rate increase in the magnitude of
25 the utility's request was "badly needed." Frye also indicated
26 his concern about the deterioration of ML&P's equity ratio
27 during the last five years and the need for ML&P to increase
28 its DSC in order to keep its Baa bond rating. Foster as
29 well as Filkin discussed the relationship between the interest
30 rate to be paid on a bond issue and the bond rating of the
31 utility. Both argued that a higher bond rating is more
32 beneficial to the consumer because the resultant interest
rate is generally lower.

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1 In her pre-filed testimony, Staff witness Evans
2 testified that the application of any return on equity to a
3 municipal entity is a misconstruction of the theory behind
4 fair and reasonable rates. Therefore, the Staff supported
5 ML&P's revenue requirement based on the necessary debt
6 service coverage required to improve and stabilize the
7 debt/equity ratio of ML&P. Under cross-examination, as well
8 as in her pre-filed testimony, Evans presented a very thought-
9 ful, articulate analysis to support Staff's position. Since
10 ML&P's financing is primarily dependent on its ability to
11 attract debt at the lowest possible interest rate, its rate
12 of return should be based on the demands of debt financing.
13 As a municipal utility the equity of ML&P is provided through
14 retained earnings. Therefore, in the traditional sense,
15 ML&P does not have to attract equity capital nor be concerned
16 with withdrawal of present equity by stockholders. Thus,
17 Evans stated, "any argument based on a return on equity to
18 ML&P is academic--it is not relevant to the actual situation."
19 Staff believes its method of determining a reasonable return
20 to be more appropriate to ML&P's situation.

21 In discussing its proposed alternative to the
22 traditional rate of return calculation, Staff testified that
23 ML&P must be able to meet all the requirements of its current
24 bond covenants and maintain financial stability in order to
25 sell additional revenue bonds. This does, according to
26 Staff, present two problems that should be addressed. One,
27 in order to provide revenue sufficient for DSC in advance of
28 a bond sale, rates must be raised before ML&P becomes liable
29 for the debt service. Thus, a 1.25 DSC on proforma debt
30 must be used to establish the revenue requirement. Two,
31 this results in the current ratepayers providing monies for
32 not only plant under construction but also before construction

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of new plant has begun. Staff observed that the general policy of the Commission, in the traditional rate of return scenario, has been to disallow a return on construction work in progress. In spite of these problems, Staff believes that debt service coverage is the appropriate basis for determining ML&P's revenue requirement.

If its approach to the appropriate return for ML&P is accepted, Staff believes there should be a control mechanism to ensure that the debt incurred by the utility is reasonable and required. Staff recommended that a review of ML&P's construction practices be performed by a Staff consultant to determine that the construction planning procedures and decisions of the utility do not allow for unnecessary or cost ineffective expenditures of monies.

Because Staff believes it is necessary to rebuild ML&P's equity, it recommended a DSC of 1.48 which supports the utility's revenue requirement. In addition, Staff recommended that ML&P be required to capitalize interest on its current and future construction because it would positively affect the equity position of the utility and because it reduces the amount of interest expensed, which in turn reduces the revenue requirement; this practice would benefit current ratepayers without affecting future ratepayers. However, Staff noted this recommendation and its support assumes rates based strictly on DSC. A reversion to traditional ratemaking standards, i.e., return on rate base, would mean that capitalization of interest would seriously affect rates. In addition, Staff testified that in October, 1979, the Financial Accounting Standards Board issued its Statement No. 34 which made capitalization of interest a generally accepted accounting principle.

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1 Staff also recommended that a restriction of
2 dividends paid to the Municipality of Anchorage be placed
3 upon ML&P until it achieves an 80/20 debt/equity ratio.
4 Staff prepared a proforma effect of its recommended rate
5 increase on retained earnings after one year if ML&P's
6 interest was capitalized and no dividend accrued to the old
7 city service area. The result, according to Evans, would be
8 an anticipated debt/equity ratio of 88/12.

9 Two of Staff's recommendations, a construction
10 practices review and a restriction on dividend pay out,
11 evoked response from the utility under cross-examination and
12 in its closing statement. General Manager Stahr stated that
13 he believed the Staff recommendation for a "limited management
14 audit of construction practices" was unnecessary because it
15 is duplicative of the review and analysis required to receive
16 an independent engineer's certification, a prerequisite
17 before prospective bonds can be sold. A certified profes-
18 sional engineer must attest to the need for, and the costs
19 associated with, the projected facilities. Stahr testified
20 that the utility was willing to provide any available docu-
21 mentation the Staff would require in order to satisfy itself
22 that a prospective bond sale was in the public interest and
23 necessary to provide reliable service to the utility's
24 service area. In addition, testimony was received that a
25 lengthy review process both internal to the utility and
26 within the municipal administration addresses the need for
27 the proposed construction. In addition, the Advisory
28 Committee of the utility as well as the Borough Assembly
29 must approve a prospective bond sale.

30 Staff Engineer Barber was questioned regarding the
31 need for a review of construction practices of the utility
32 from a technical standpoint. He indicated that, in his

1 opinion, neither unnecessary facilities nor unreasonable
2 costs were associated with the proposed bond sale. As an
3 engineer, he stated he would accept the opinion of the
4 independent professional engineer who certified that con-
5 struction is needed and well-planned. Barber testified he
6 was never denied access to any information of the utility.
7 In conjunction with Docket U-71-16, In the Matter of Elimin-
8 ating Undesirable Duplication of Facilities and Competition
9 between the Municipality of Anchorage d/b/a Municipal Light
10 and Power Department and Chugach Electric Association, Inc.,
11 he has had occasion to review the ML&P system and feels that
12 its records are generally complete. Further, he stated that
13 the Staff consultants in U-71-16 have received cooperation
14 from the utility.

15 In its formal Written Comments and in its testimony
16 during the proceeding, ACAP supported a return based on a
17 hypothetical capital structure of 70/30 in accordance with
18 U-76-11. It acknowledged the need to have sufficient debt
19 service coverage for the forthcoming bond sale; however, its
20 calculations of that coverage included income which both
21 Staff and the utility disallowed in calculating the DSC
22 required. ACAP did not support the Staff's recommendation
23 for a limited review of the construction practices as it
24 believed it would not accomplish Staff's intent.

25 By granting the utility's revised revenue require-
26 ment, either ratemaking methodology presented in this pro-
27 ceeding would substantiate the results. It can be argued
28 that a hypothetical capital structure of 60/40 with a rate
29 of return on equity at 15 percent will yield the same revenue
30 requirement as a debt service coverage of 1.48 on the antici-
31 pated future bond sales of the utility.
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1 At this point in time the Commission is persuaded,
2 for a number of reasons, that the approach taken by Staff
3 which establishes debt service coverage to attract new debt
4 and improves the utility's equity position is logical and
5 reasonable. The Commission believes that the utility must
6 maintain or improve its current bond rating in order to
7 attract debt at the lowest possible interest rate and that
8 revenues in excess of the 1.25 bond covenant requirements
9 will assist the utility in stabilizing and improving its
10 equity position. The Commission would reiterate today what
11 it stated in U-76-11(10), p. 6:

12 The continued financial liability and stability of ML&P
13 is of overriding concern to this Commission.

14 By accepting the DSC approach in the instant
15 proceeding, the Commission is not foreclosing the more
16 traditional rate of return approach to ratemaking in the
17 future, should circumstances warrant. There could be a
18 point in time when facilities could be financed, in part,
19 through retained earnings, and an examination of the actual
20 capital structure and return on equity at that time might be
21 appropriate. The Commission has the discretion to allow DSC
22 for future bond coverage requirements as established by the
23 Alaska Supreme Court in Alaska Public Utilities Commission v.
24 Municipality of Anchorage, 555 P.2d 262 (Alaska, 1976).
25 The Commission believes the exercise of its discretion in
26 this proceeding is in the public interest. The Commission
27 will not unequivocally, however, bind itself to the DSC
28 approach for future proceedings: what is optimum today could
29 be less than optimal tomorrow depending on the financial
30 marketplace, the capital structure and other circumstances
31 relevant to ML&P. The Commission finds it helpful in approving
32 the DSC approach to use the traditional rate of return
methodology as a check and balance.

1 In approving the DSC approach in this proceeding
2 and because of subsequent events that have transpired since
3 the issuance of its Bench Order, there is a matter of concern
4 that must be addressed; and that is, when should rates
5 established, in part, on DSC of future bond sales go into
6 effect. In this instance, the rates went into effect on
7 June 1, 1981, the deadline ML&P's management testified was
8 necessary in order for it to market the proposed bonds. On
9 June 6, 1981, the Commission received a letter from Financial
10 Services Manager Frye which stated in part:

11 Unfortunately right at this time the bond
12 market is so bad (we estimate we would have
13 to pay in excess of 12 percent interest
14 today) that we are proceeding to arrange
interim short term financing with the Municipality of Anchorage.

15 We are preparing for the bond sale and as
16 soon as market conditions improve to a
satisfactory interest rate we will be
ready to go to sale.

17 If the Municipal Bond Market should con-
18 tinue to be adverse for several months
19 there are two other alternates which we
20 could look at. One would be to market
short term bond anticipation notes and
21 the other would be to split the \$14,000,000
bond sale into two sales with hopefully the
second sale being made in better market
conditions.

22 The Commission has received no additional communi-
23 cation from the utility indicating whether or not the bonds
24 have been sold and at what interest rate or which of the
25 other alternatives available to ML&P has been pursued,
26 absent a bond sale. In addition the Commission became aware
27 on June 17, 1981, that the Municipality of Anchorage had
28 applied for direct loan assistance under the Coastal Energy
29 Impact Program (CEIP) for transmission, distribution and
30 service plant projects of ML&P. The revenue requirement
31 approved by the Commission in this proceeding assumes a
32 10 percent interest rate on the prospective \$14 million bond

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1 sale. The Commission must require documentation indicating
2 what interest rate is being paid on what amount of funds
3 from what source in order to determine whether the utility
4 is recovering more through its rates than its expenses. In
5 addition, an explanation of whether the CEIP loan application
6 is in addition to or a replacement for the proposed bond
7 revenues is required. All relevant data including estimated
8 time frame for a decision on the loan application and antici-
9 pated interest rate should be provided. This information
10 should be provided to the Commission as soon as possible and
11 not later than two weeks from the date of this Order.

12 In the next proceeding of this utility involving a
13 request for a general rate increase in order to market
14 prospective bonds, the Staff and the utility should address
15 what mechanism should be established to ensure that rates
16 based on a prospective bond sale are not prematurely put
17 into effect.

18 The Commission would observe that ML&P's last two
19 requests for permanent rate relief have not been timely
20 filed in light of the requirement of the utility to have in
21 effect permanent rates before proposed revenue bonds can be
22 sold. In both instances, the Commission received and re-
23 sponded to requests for expedited consideration. The Commis-
24 sion is concerned that this practice not become a habit in
25 light of its continuously pressing workload and its responsi-
26 bility to give equitable consideration to matters concerning
27 all utilities under its jurisdiction. Therefore, it will
28 expect that any future permanent rate requests required
29 prior to a prospective revenue bond sale will take into
30 account the six-month statutory time frame provided for
31 Staff audit, analysis and Commission decision.
32

1 In accepting the DSC approach, the Commission must
2 decide whether the recommendation of the accounting Staff to
3 require a management practices review relative to construction
4 practices should be instituted. From a theoretical perspective
5 one could immediately answer affirmatively because utility
6 consumers are paying rates that include interest on bonds,
7 the proceeds of which are not represented by plant that is
8 used and useful at the time the rates are approved. AS
9 42.05.441. It can certainly be argued that protection from
10 unnecessary or duplicative expenditures is warranted. The
11 question that arises is, would a review such as that contem-
12 plated by the accounting Staff accomplish the contemplated
13 result. If the investigation is focused properly and if the
14 practices and personnel subject to review remain constant
15 subsequent to the investigation, one might agree that this
16 review could accomplish its goal.

17 From a practical perspective, however, one could
18 argue this type of management review is not necessary, is an
19 unnecessary expenditure of funds and may not accomplish its
20 intended results. A review at one particular point in time
21 will not provide the assurance that the public will be
22 protected from unjustified construction practices, proce-
23 dures or expenses. To continuously monitor ML&P's construc-
24 tion practices and procedures is impractical from a time and
25 financial standpoint. In this proceeding there is no "red
26 flag" or other indicator that either the bond sale of 1979
27 or the one scheduled for June, 1981, is unnecessary or
28 ill-conceived. An extensive review process of the utility's
29 future construction plans has been undertaken because of the
30 requirement that it attract capital from the sale of revenue
31 bonds. A professional engineer has certified that the
32 revenues from the proposed bond sale are needed to build

1 necessary facilities; from a technical standpoint there has
2 been no question of the integrity of the utility's system.
3 The Commission is persuaded that it is not nec-
4 essary at this time to require a review of the utility's
5 construction practices and procedures. The Commission
6 acknowledges and understands the rationale of the accounting
7 Staff because of its advocacy of permanent rates which
8 include pre-construction and construction work in progress.
9 The Commission does believe, however, that the Staff and the
10 utility should explore possible alternatives to a formal
11 review of construction practices to provide the checks and
12 balances, from a practical standpoint, that the DSC approach
13 implies is desirable. This could take the form of involving
14 the Staff in the documentation and planning for future bond
15 sales; it could include the certified professional engineer's
16 report in the utility's filings before the Commission; it
17 could provide to the Commission the minutes of the ML&P
18 advisory committee's deliberation on the necessity for
19 future bond sales and it could provide an independent review
20 of the utility's construction practices and procedures,
21 initiated by the utility and submitted to the Commission
22 prior to the next bond sale. Because the Commission does
23 not accept the Staff recommendation in the instant pro-
24 ceeding does not necessarily mean that this same position
25 will prevail in the future. What triggers confidence today
26 in ML&P can be undone tomorrow, and this Commission will
27 continue to react when the occasion demands in order to
28 protect the ratepayers of a utility and the public interest.

29 DIVIDEND PAY OUT

30 Since the Charter of the Municipality of Anchorage
31 was approved in 1975, the Commission and its Staff have
32 become quite familiar with its provisions regarding the

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1 obligation of the municipal utilities to reimburse the old
2 City of Anchorage service area because of the financial
3 investment made by the former City in the respective municipal
4 utilities. Discussion of the effect of the requirements of
5 the Charter to pay out the net profits from the operation of
6 ML&P for the benefit of the former City of Anchorage service
7 area for a period of five years after ratification of the
8 Charter has been addressed in Dockets U-76-11 and U-79-13.
9 Underlying previous Commission action with respect to the
10 obligation of ML&P to the former City of Anchorage service
11 area was the Commission's concern to improve the financial
12 health of ML&P by increasing its equity position. While a
13 highly desirable goal, in reality, it has not been achieved.
14 As a result of the accumulated pay out of dividends by ML&P
15 over the last five years, the equity position of the utility
16 has deteriorated and its financial health has worsened.

17 In response to inquiries from the hearing panel ...
18 ML&P provided Exhibit 3 (appended as Attachment 1 to this
19 Order) which documented the history of the cash dividend pay
20 outs to the old City service area by ML&P since 1976. Under
21 cross-examination and in its closing statement, the utility
22 acknowledged that it and the municipal administration could
23 support a rationale that the dividend obligation of the
24 utility under the Charter has been satisfied. In addition,
25 ACAP urged the Commission to rule that the dividend obliga-
26 tion of the utility to the old City service area had been
27 satisfied thereby giving the utility the opportunity to
28 improve its equity position.

29 The Commission believes that the intent of the
30 Charter has been satisfied with respect to the dividend
31 obligation of ML&P as substantiated by the record of divi-
32 dend payments to the former City service area by the utility

1 over the past five years. This determination, together with
2 the revenue requirement affirmed in this Order, should
3 assist the utility, barring any unforeseen circumstances, to
4 reverse its attrition of earnings and to begin to improve
5 its equity position immediately. The Commission will require
6 that ML&P report its actual capital structure and percentage
7 of change from the previous year to the Commission at the
8 time it files its annual report.

9 OTHER TARIFF CHANGES

10 The Staff concurred with the utility's request to
11 delete Rule 7.4 Primary Metering Discount. This is a house-
12 keeping item, and the Commission will approve the utility's
13 request.

14 In its review of the utility's request to implement
15 a \$15 connection charge, the Staff concurred that the proposed
16 charge is reasonable in light of current labor rates and
17 practices of other utilities. Staff and ML&P agreed that a
18 further revision to Rule 7.13 should be made to clarify the
19 utility's actual intent regarding agreements between it and
20 the owners of rental property. The Commission will accept
21 the revision that is stated on Staff witness Barber's pre-
22 filed testimony, pages 5 and 6.

23 FUEL OIL COST RATE ADJUSTMENT

24 In its supplemental filing of February, 1981, ML&P
25 requested the Commission to approve a fuel oil cost rate
26 adjustment (FOCRA) to its tariff. The Commission in Doc-
27 ket U-75-21(6) denied the request of ML&P to allow a fuel
28 cost adjustment clause in its tariff which included diesel
29 fuel. The Commission's reasoning was that the cost of fuel
30 should be a significant portion of a utility's operating
31 expenses before a fuel cost adjustment clause is approved,
32 and it was not a significant portion of ML&P's operating
expenses at that time.

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1 The utility, in the instant filing, argues that
2 the situation facing ML&P today has changed dramatically
3 since the issuance of Order No. 6 in U-75-21. ML&P alleges
4 that the cost of diesel has substantially increased; that
5 the delivery of natural gas to ML&P was curtailed in December
6 of 1980; that curtailment could happen in the future; and
7 because these conditions have a significant effect on the
8 operating expenses of the utility, the establishment of an
9 FOCRA is warranted. The utility also testified that diesel
10 fuel was used during the year to test its backup generation.
11 However, ML&P could not quantify the expense associated with
12 this procedure or how often its diesel-fired generators were
13 tested. Utility witness Foster in his pre-filed testimony
14 indicated that the methodology proposed by ML&P to establish
15 an FOCRA would have to be modified if the Commission accepted
16 the request of Alaska Gas and Service Company (AGAS) to
17 revise its gas flow through clause. The Commission, subse-
18 quent to the hearing in the instant proceeding, has accepted
19 the AGAS request.

20 Both the Staff and ACAP opposed the inclusion of
21 an FOCRA in ML&P's tariff. Staff gave the following reasons
22 for its opposition:

- 23 1. There is no indication that ML&P's source of gas
24 supply is not as adequate as it has been in prior
25 years;
- 26 2. ML&P and AGAS have signed a new contract which
27 provides that the military customers will be curtailed
28 before ML&P;
- 29 3. In the event of curtailment of significant duration
30 to effect the utility's revenues, ML&P could request
31 that it be allowed to amortize the extraordinary diesel
32 fuel expense; and

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1 4. Staff did not believe the diesel expense during the
2 test year was significant because it was .00098 percent
3 of the revenue requirement.

4 In its closing statement, ML&P argued that the use
5 of an FOCRA should be allowed by the Commission. However, in
6 the event the Commission denied this request, the utility
7 proposed that, in conjunction with Staff, an acceptable
8 FOCRA clause be developed with a provision that in the event
9 of curtailment, the clause would go into effect within
10 twenty-four hours after the Commission was apprised that the
11 utility had been forced to burn diesel fuel.

12 The Commission acknowledges that the price of
13 diesel fuel has increased substantially since 1976. However,
14 the evidence in this proceeding does not indicate that the
15 use of diesel fuel is a substantial expense to the utility
16 or that the probability of curtailment is any greater today
17 than five years ago. Therefore, the Commission will deny
18 without prejudice the utility's request to institute an
19 FOCRA.

20 INTERCONNECTION

21 The issue of reserve capacity was discussed by the
22 utility's manager. In response to concerns expressed by
23 public witness Carmen Smith, Stahr indicated that at this
24 time ML&P has more reserve margin than would be absolutely
25 required and originally planned for because of the price of
26 generating units. In response to questions from the hearing
27 panel, Stahr testified that, in his opinion, if Chugach
28 Electric Association, Inc. (CEA), and ML&P were "fully
29 interconnected" and all the appropriate agreements existed,
30 there would be 70 megawatts of additional capacity available
31 to the consumers of these utilities. Stahr testified that
32 "...by interconnecting the utilities, having...proper operating

1 agreements for the buying and selling...[of] power, for
2 sharing of reserves, [it] will free up or make available, a
3 lot of additional generating capacity so you could postpone
4 investments--these major investments in large units" (Tr.,
5 p. 26). An integrated system, according to Stahr, could
6 get by with 20 to 30 percent reserve margin. At the present
7 time, each utility operating independently must provide
8 enough reserve capacity to maintain service in the event its
9 largest unit is down. In response to the question regarding
10 estimated savings to both CEA and ML&P, Stahr responded that
11 he believed savings could be at least \$1,000,000 annually to
12 each utility and could approach \$2,000,000 a year depending
13 on the price paid for natural gas. When asked if he believed
14 the interconnection of CEA and ML&P was in the public interest
15 and should be ordered by the Commission, Stahr responded
16 that if "it is not now, we are rapidly approaching the time
17 that it will be in the public interest." (Tr., p. 46)

18 Stahr also noted that a study currently underway
19 by the Alaska Power Authority (APA) indicated that a Fairbanks/
20 Anchorage transmission tie, in addition to the interconnection
21 of both Anchorage based electric utilities, would provide
22 enough reserve capacity in the railbelt area that no additional
23 generation units would be required until 1990. Although
24 Stahr did not endorse the APA study, he testified that it
25 supported the principle that interconnection would defer
26 major investments by CEA and ML&P.

27 In responding to questions by the hearing panel
28 regarding interconnection, Staff witness Barber indicated
29 that Staff believed interconnection would be in the public
30 interest and that the work being done by the Commission's
31 consultants in U-71-16 did form the basis for Commission
32 investigation and subsequent action in this matter.

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1 Based on the evidence in this proceeding the
2 Commission believes there is prima facia evidence that the
3 full interconnection of CEA and ML&P would be in the public
4 interest. Therefore, it will open a docket of investigation
5 in a subsequent order to examine what procedures should be
6 established by both utilities and the Commission in order to
7 effect full interconnection as soon as possible.

8 CONTINUING PROPERTY RECORDS

9 In his pre-filed testimony, Staff witness Barber
10 discussed the progress of ML&P in maintaining continuing
11 property records (CPR's) in compliance with AS 42.05.461.
12 While acknowledging that a computerized property records
13 system for ML&P's transmission and distribution line equip-
14 ment is close to being operational, Barber noted that the
15 utility is obligated to have CPR's for its generation and
16 general plant. Staff recommended that the Commission require
17 ML&P to develop complete property records, permitting the
18 utility to determine its own schedule with the provision
19 that complete property records be placed in effect prior to
20 the utility's request for another general rate increase.

21 General Manager Stahr testified "it was antici-
22 pated that the computerized CPR system will be operational
23 by July 1, 1981, and that the other records will probably
24 take a month or two to complete after the distribution and
25 transmission CPR system is operational. Stahr testified
26 that the utility was concerned about the type of system to
27 be used for its generation records indicating that the
28 various parts of gas turbines have different lives. These
29 components are not a minor part of the generation plant,
30 according to Stahr, who indicated that a set of blades for
31 one of the turbines may be \$200,000-\$300,000.

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1 The Commission will continue to articulate its
2 requirement that ML&P develop complete continuing property
3 records. It recognizes the dilemma of the utility regarding
4 the appropriate system to be used for its generating plant.
5 The Commission would recommend that the utility seek assist-
6 ance and advice from Staff, if necessary, in order to fully
7 comply with AS 42.05.461. The Commission concurs that
8 ML&P's CPR system should be completely operational prior to
9 another request for a general rate increase.

10 RATE DESIGN

11 In Staff's pre-filed testimony, Evans recommended
12 that ML&P be required to file by October 31, 1981, a cost-of-
13 service study based on its 1980 test year revenue requirement.
14 Staff also agreed to an extension of that deadline should
15 similar filings be required under the Public Utility Regula-
16 tory Policies Act (PURPA).

17 During cross-examination utility witness Foster
18 indicated that the earliest a cost-of-service study could be
19 completed was three months from the date of this Order.
20 Acknowledging that ML&P was subject to the jurisdictional
21 requirement of PURPA, Foster stated that the utility wished
22 to avoid providing two cost-of-service studies and could
23 comply with the PURPA ratemaking requirements within a
24 six-month time frame.

25 ACAP, in its written formal comments and during
26 its testimony, expressed concern about ML&P's existing rate
27 design. ACAP provided consumption and revenue documentation
28 for the last five years. This historical information indi-
29 cated that residential customers have paid proportionately
30 far more for increased consumption than commercial-industrial
31 customers. ACAP, therefore, requested a rate redesign
32 proceeding to assure just, reasonable and non-discriminatory

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1 rates for all ML&P customers. ACAP testified that it would
2 support the utility's request for a longer time frame in
3 order to comply with the PURPA ratemaking requirements and
4 to have the Commission consider marginal cost pricing.

5 The Commission agrees that the issue of whether or
6 not the residential consumer of ML&P is bearing more than
7 the costs to provide its service should be thoroughly examined
8 in the forthcoming cost-of-service study. An additional
9 concern is what effect construction underway in ML&P's
10 service area and that contemplated in 1982 to provide service
11 to large commercial power customers will have on a cost-of-
12 service study based on a 1980 test year. The dilemma is
13 that the approved revenue requirement in this proceeding
14 includes debt service coverage for 1981 and 1982 plant
15 construction. Yet, there is no actual consumption or demand
16 data for those customers. Therefore, how accurately will
17 the traditional cost-of-service allocation methodologies
18 reflect ML&P's current customer composition.

19 In addition, the Commission is required to consider
20 the appropriateness of six ratemaking standards and lifeline
21 rates under Title 1 of PURPA, more fully described in U-80-20(1).

22 The Commission agrees that the public interest
23 would best be served by the timely filing of one cost-of-
24 service study which addresses the concerns articulated above
25 and the considerations mandated by PURPA. To that end, the
26 Commission believes that in order to evaluate the options
27 available to it, ML&P should be required to file within
28 45 days from the date of this Order response to the following:

29 1. Would proforma adjustments to ML&P's rate
30 base, which reflects the use of the \$14 million revenue
31 bonds for plant under construction, provide a method to
32 reflect the change in composition of customer consumption
and demand in the imminent cost-of-service study.

1 2. The methodology that ML&P would propose to be
2 the most appropriate for the resulting cost-of-service study
3 in light of:

4 a. The assumption that there may be significant
5 change in customer distribution as a result of the
6 substantial commercial construction in 1981 and
7 1982; and

8 b. the Title 1 requirements of PURPA as they
9 relate to cost of service.

10 3. The costs associated with and the earliest
11 dates of completion for (2) above; and the costs associated
12 with full compliance of consideration of Title 1 ratemaking
13 standards and lifeline, including both a marginal cost and
14 embedded cost approach to rate design.

15 4. The load information readily available or
16 retrievable (within 30 days) which could assist the Commis-
17 sion in its assessment of the data base available for cost-
18 of-service studies.

19 5. The availability and validity of the historical
20 data gathered from customers of Schedule 14, Experimental
21 Time-of-Day; and the utility's plan to expand or modify this
22 service offering.

23 The Commission will require Staff to file comments
24 and recommendations on the above information within 30 days
25 after its receipt by the Commission.

26
27 THE COMMISSION FURTHER FINDS AND CONCLUDES:

28 1. The Bench Order granted on May 18, 1981,
29 establishing an across-the-board 28.06 percent increase to
30 the utility's existing recurring permanent rates should be
31 affirmed. See Attachment 2.

1 2. The operating expenses, including depreci-
2 ation, and specifically those questioned in the comments of
3 ACAF are found to be reasonable.

4 3. The base price of gas should be 88.31¢/MCF for
5 the test year 1980.

6 4. The Commission will allow a uniform life for
7 both the steam plant and the gas turbine, reserving the
8 right to adjust the lives of those plants at the time a
9 depreciation study is filed and approved by the Commission.

10 5. The Commission will accept the debt service
11 coverage approach recommended by Staff to establish the
12 revenue requirement in this proceeding and will approve a
13 1.48 DSC on the anticipated \$14 million bond sale of the
14 utility.

15 6. ML&P should provide to the Commission no later
16 than two weeks from the date of this Order, documentation
17 indicating whether or not the prospective bond sale has
18 taken place; the amount of interest being paid and the
19 effective date of the sale. In the event the sale has not
20 taken place, the utility should provide documentation
21 indicating what interest rate is being paid on what amount
22 of funds being used to finance the construction projects
23 that were to be financed from the prospective bond sale. An
24 explanation of the CEIP loan application, as articulated in
25 the body of this Order, should also be provided.

26 7. At the time the utility files its next permanent
27 rate request, the utility and the Staff should address what
28 mechanism, if any, should be established to ensure that
29 rates based on a prospective bond sale are not prematurely
30 put into effect.

31 8. The dividend obligation of ML&P to the former
32 City service area has been satisfied. No further obligation

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1 of ML&P to the former City service area is required under
2 Section 19.14(a) of the Charter of the Municipality of
3 Anchorage.

4 9. ML&P should report its actual capital struc-
5 ture and the percentage of change from the previous year to
6 the Commission at the time it files its annual report.

7 10. ML&P should be allowed to delete Rule 7.4
8 Primary Metering Discount.

9 11. ML&P should revise its Rule 7.13 in accord-
10 ance with the pre-filed testimony of Staff witness Barber,
11 pages 5 and 6.

12 12. The Commission will deny ML&P's request to
13 institute an FOCRA without prejudice to the refiling of an
14 adjustment clause similar to the one proposed by its counsel
15 during the utility's closing argument.

16 13. There is evidence in this proceeding that the
17 full interconnection of ML&P and CEA would be in the public
18 interest. Therefore, the Commission, in a subsequent order,
19 will open a docket of investigation to examine what procedure
20 should be established by both utilities and the Commission
21 in order to accomplish this desirable goal.

22 14. ML&P should be required to develop complete
23 continuing property records prior to its request for another
24 general rate increase. Staff should be available in order
25 to assist the utility to fully comply with AS 42.05.461.

26 15. ML&P should be required to file one cost-of-
27 service study to comply with the mandate of Title 1 of PURPA
28 and the possible significant change in customer composition
29 in ML&P's service area.

30 16. In order for the Commission to determine the
31 optimum approach to the forthcoming cost-of-service study,
32

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1 ML&P should provide the information delineated in the body
2 of this Order within 45 days of the date of this Order.

3 17. The Staff should provide comments and recom-
4 mendations on the information required in Finding 17 within
5 30 days after receipt by the Commission.

6
7 ORDER

8 THE COMMISSION FURTHER ORDERS:

- 9 1. The Bench Order issued on May 18, 1981, is
10 affirmed.
- 11 2. The tariff revision designated as TA26-121,
12 filed by the Municipality of Anchorage d/b/a Municipal Light
13 and Power Department, as supplemented on February 17, 1981,
14 is approved subject to the modifications and ratemaking
15 methodology set forth in this Order.
- 16 3. The Municipality of Anchorage d/b/a Municipal
17 Light and Power Department shall file with the Commission on
18 or before October 1, 1981, amended tariff sheets which
19 reflect a 35.06 percent across-the-board increase to its
20 recurring rates which includes a roll-in of the utility's
21 purchased gas flow through of 11.27¢/MCF which was in effect
22 at the time of the utility's filing.
- 23 4. The base price of gas for the test year 1980
24 shall be 88.31¢/MCF.
- 25 5. A revenue requirement of \$24,294,089 as more
26 fully articulated in the body of this Order is approved.
- 27 6. A uniform life for the steam plant and the
28 gas turbine shall be approved subject to possible change
29 when a depreciation study is filed and approved by the
30 Commission.
- 31 7. The Municipality of Anchorage d/b/a Municipal
32 Light and Power Department shall provide to the Commission

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1 within two weeks from the date of this Order documentation
2 regarding its proposed bond sale which had been scheduled
3 for June 1, 1981, and its Coastal Energy Impact Program loan
4 application as more fully discussed in the body of this
5 Order.

6 8. The dividend pay out by the Municipality of
7 Anchorage d/b/a Municipal Light and Power Department is
8 satisfied.

9 9. At the time it files its annual report with
10 the Commission, Municipality of Anchorage d/b/a Municipal
11 Light and Power Department shall report its actual capital
12 structure and the percent of change from the previous year.

13 10. The Municipality of Anchorage d/b/a Municipal
14 Light and Power Department shall delete Rule 7.4 Primary
15 Metering Discount.

16 11. The Municipality of Anchorage d/b/a Municipal
17 Light and Power Department is granted a revision to its Rule
18 7.13 as articulated in the body of this Order.

19 12. The request of the Municipality of Anchorage
20 d/b/a Municipal Light and Power Department to institute a
21 fuel oil cost rate adjustment is denied without prejudice.

22 13. The Municipality of Anchorage d/b/a Municipal
23 Light and Power Department shall develop complete continuing
24 property records prior to its request for another general
25 rate increase.

26 14. The Municipality of Anchorage d/b/a Municipal
27 Light and Power Department shall provide within 45 days of
28 the date of this Order the required cost-of-service study
29 information detailed in the body of this Order.
30
31
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1 15. Within 30 days after receipt by the Commission,
2 the Commission Staff shall provide comments and recommendations
3 on the information provided under Ordering Paragraph 14.

4 DATED AND EFFECTIVE at Anchorage, Alaska this 1st day of
5 September, 1981.

6 BY DIRECTION OF THE COMMISSION
7 (Commissioner Stuart C. Hall, concurring in part and dissenting
8 in part; Commissioner Susan M. Knowles, not participating)

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10 (S E A L)
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Exh. # 3 5/1/81 J. H. ...
MLP 5/1/81 P. H. ...
U-80-100

MUNICIPAL LIGHT & POWER

	<u>Net Profits</u>	<u>Cash Dividend Payouts</u>
1976	\$1,271,458	\$ 600,000
1977	1,330,888	506,006
1978	1,005,697	548,456
1979	<u>947,375</u>	<u>388,755</u>
Sub Total	<u>\$4,555,918</u>	<u>\$2,043,217</u>
1980	<u>(2,311,034)</u>	<u>330,982</u>
Total	<u>\$2,244,884</u>	<u>\$2,374,199</u>

ATTACHMENT 1
Order No. 6, U-80-100

MUNICIPALITY OF ANCHORAGE
MUNICIPAL LIGHT AND POWER
SCHEDULE OF REVENUE DEFICIENCY
FOR THE TEST YEAR ENDED DECEMBER 31, 1980

SCHEDULE 1
Amended

Revenue Requirement (Schedule 2) (2)	<u>\$24,294,089</u>
Actual Operating Revenues	13,045,678
Add:	
Fuel Surcharge Revenue Adjustment (1)	596,632
Pro Forma Connection Charge Revenue	<u>108,795</u>
Adjusted Operating Revenues	<u>18,751,105</u>
Revenue Deficiency	<u>\$ 5,542,984</u>
 Required Percent Revenue Increase	 <u>29.56%</u>

(1) Adjustment to Annualize Fuel Surcharge Revenue

Base fuel cost increased from 77.04¢ to 88.31¢ during the year. The normalizing adjustment (Schedule 3) to cost of gas reflects these increases. This filing anticipates the roll in of the new base gas cost rate, therefore, a revenue annualizing adjustment is required to reflect it.

11.27¢ Increase x 7,849,600 mcf	\$ 884,650
Less the calculated recovery of base cost increases collected through GCRA and included in operating revenues	<u>288,013</u>
Fuel Surcharge Revenue Adjustment	<u>\$ 596,632</u>

Subsequent Change for 1981 State Legislation Affecting MUSA

(2) Revenue Requirement	\$24,294,089
Decrease Operating Expense	277,238
Decrease Return on Rate Base	<u>3,494</u>
Revised Revenue Requirement	24,013,357
Adjusted Operating Revenues	<u>18,751,105</u>
Revenue Deficiency	<u>\$ 5,262,252</u>
 Required Percent Revenue Increase	 <u>28.06%</u>

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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing of)
a Tariff Revision, Designated as) U-80-100
TA26-121, by the MUNICIPALITY OF)
ANCHORAGE d/b/a MUNICIPAL LIGHT &) BENCH ORDER
POWER DEPARTMENT for an Interim)
and Permanent Rate Increase)

The Commission, having considered the need for immediate response in the above referenced docket issues this Bench Order to document the Commission's action prior to issuance of a formal order setting forth the Commission's findings of fact and conclusions of law.

THE COMMISSION ORDERS THAT:

The MUNICIPALITY of ANCHORAGE d/b/a/ MUNICIPAL LIGHT AND POWER DEPARTMENT is granted an across-the-board increase of 28.06% to its existing recurring permanent rates for billings on or after June 1, 1981.

DATED at Anchorage, Alaska, this 18th day of May, 1981.

Carolyn S. Guess
Commissioner
Marvin R. Weatherly
Commissioner
Stuart C. Hall
Commissioner

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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall
Diana E. Snowden

In the Matter of the Filing of a)
Tariff Revision, Designated as) U-81-19
TA129-120, by the MUNICIPALITY)
OF ANCHORAGE d/b/a ANCHORAGE) ORDER NO. 2
TELEPHONE UTILITY To Revise Line)
Extension and Unusual Construction)
Policies)
_____)

ORDER EXTENDING SUSPENSION PERIOD

Order No. 1 in this proceeding dated April 13, 1981, suspended the operation of a tariff revision, designated as TA129-120, filed by the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE TELEPHONE UTILITY (ATU) for an initial six-month period not to extend beyond October 6, 1981, and instituted an investigation into the reasonableness and propriety of the revision.

On October 5, 1981, the Commission received a letter from ATU stating that "Pursuant to discussions between utility and Commission Staff, it is agreed to extend the time period for this particular filing by sixty (60) days."

Because it appears that the Commission Staff and ATU are engaged in meaningful discussion which may lead to a satisfactory resolution of the issues in this proceeding, the Commission believes that the public interest would best be served by extending the suspension of TA129-120 for an additional 60 days.

ORDER

THE COMMISSION FURTHER ORDERS, That, the operation of the tariff revision, designated as TA129-120, filed by the

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1 Municipality of Anchorage d/b/a Anchorage Telephone Utility
2 is suspended for an additional 60-day period not to extend
3 beyond December 7, 1981.

4 DATED AND EFFECTIVE at Anchorage, Alaska this 6th day of
5 October, 1981.

6 BY DIRECTION OF THE COMMISSION

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8 (S E A L)



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Phone 276-6222

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall
Diana E. Snowden

In the Matter of the Filing of a)
Tariff Revision, Designated as) U-76-66
TA8-122, by the MUNICIPALITY OF)
ANCHORAGE d/b/a ANCHORAGE WATER) ORDER NO. 9
UTILITY for a General Rate Increase)

In the Matter of the Filing of a)
Tariff Revision, Designated as) U-81-78
TA22-122, by the MUNICIPALITY OF)
ANCHORAGE d/b/a ANCHORAGE WATER) ORDER NO. 1
UTILITY for an Interim and Per-)
manent Rate Increase)

ORDER SUSPENDING OPERATION OF TARIFF REVISION;
GRANTING INTERIM RATE INCREASE; CLOSING DOCKET
U-76-66 AND ALLOCATING COSTS

On September 2, 1981, the MUNICIPALITY OF ANCHORAGE
d/b/a ANCHORAGE WATER UTILITY (AWU) filed a tariff revision,
designated as TA22-122, requesting interim and permanent
rate increases of 15 percent and 22.95 percent, respectively.
The utility proposed that the rate increases be applied
across-the-board to all recurring monthly charges for water
sales. In addition, the rate increases would be applied to
all non-recurring charges except deposits and initial fees for
connection, permits and inspection. AWU has also requested
that the private fire hydrant maintenance fee be deleted, its
elimination having been overlooked in TA21-122.

The Commission Staff (Staff) has reviewed the
filing and has determined that it meets the requirements of
3 AAC 48.270 and 3 AAC 48.275(a). AWU has requested a
waiver of 3 AAC 48.275(a)(8) since information relating to
income taxes is inapplicable to a municipally owned utility.

Item 16 37

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1 The filing was noticed on September 9, 1981, with
2 a closing date of October 7, 1981, for the submission of
3 statements in support of, or in opposition to, the proposed
4 tariff revision. No responses have been received by the
5 commission.

6 Interim Rate Increase

7 The Commission notes that different standards
8 apply to assessing requests for interim as distinguished
9 from requests for permanent rate relief. Under AS 42.05.421(d),
10 "One who initiates a change in existing tariffs shall bear
11 the burden to prove the reasonableness of the change." Where
12 an interim rate increase is requested, the Alaska Supreme
13 Court has ordered this Commission to grant relief provided
14 the utility demonstrates:

- 15 1. That existing rates are confiscatorily
16 low;
- 17 2. That those low rates will remain in effect
18 for an unreasonably long period of time;
- 19 3. That without an interim rate increase, it
20 will suffer irreparable harm;
- 21 4. That the public can be adequately protected
22 in the event the interim increase is ulti-
23 mately determined to be excessive in amount;
24 and
- 25 5. That the magnitude of the utility's request
26 is not "frivolous or obviously without merit."

27 Alaska Public Utilities Commission v. Greater Anchorage Area
28 Borough, 534 P.2d 549, 554, 557-559 (Alaska 1975); quoted
29 with approval in United States v. RCA Alaska Communications,
30 Inc., 597 P.2d 489 (Alaska 1978).

31 Under the GAAB decision, a utility does not have
32 to advance the same detailed proof which is required for a
permanent rate increase or tariff change in order to secure
interim relief. The utility does not even have to demonstrate
that it will probably succeed in all aspects of its proof at

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1 the time of the permanent rate increase decision. See,
2 A. J. Industries, Inc. v. Alaska Public Service Commission, 470
3 P.2d 537, 540 (Alaska 1970). The Supreme Court has merely
4 required the utility to show that its existing rates are inade-
5 quate and that the "balance of hardships" tips in its favor.
6 A. J. Industries, supra at 540; GAAB, supra at 557.

7 The Alaska Supreme Court has never defined the pre-
8 cise point at which a utility's rates fall into the prohibited
9 zone of confiscation. However, where the utility is being
10 operated at a loss, the Court has expressly found those rates
11 to be clearly confiscatory and has ordered this Commission to
12 grant interim rate increases. GAAB, supra n. 26, at 558.

13 In the instant case, the utility's 1980 audited
14 financial statements, as adjusted for known and measurable
15 changes, show a net loss of \$487,586 (Net operating income
16 after pro forma adjustments per filing Schedule 3 of \$705,826
17 long-term debt interest expense of \$1,193,412). Therefore, the
18 utility has made a prima facie showing that its existing rates
19 are confiscatorily low. Thus, the first element of the
20 five-part GAAB test has been satisfied.

21 The Staff has indicated that it requires the oppor-
22 tunity to audit AWU's accounts and records, to investigate the
23 reasonableness and propriety of AWU's proposed overall
24 22.95 percent rate increase, and to examine a detailed analysis
25 of costs allocated to/from other municipal entities, including
26 the sewer utility, before making a recommendation concerning
27 the utility's request for a permanent rate increase. Therefore,
28 the Staff recommended suspension of the permanent rate increase
29 for an initial period not to exceed six months. The GAAB
30 decision has held that even if confiscatorily low rates are in
31 effect for as short an interval as the statutory suspension
32 period, it constitutes an unreasonable length of time and is

1 sufficient to justify interim rate relief. The second element
2 of the GAAB test has thus been established.

3 In Alaska it has been repeatedly held that a utility
4 may not bill its subscribers retroactively either upon receiving
5 approval to increase its rates or to recoup past losses.

6 A. J. Industries, supra at 541; GAAB, supra at 554. Accordingly,
7 every Alaska Supreme Court decision on point unanimously states
8 that the denial of interim relief will cause the utility to
9 suffer irreparable harm as a matter of law when the other four
10 elements have been shown to exist. Thus, the third element has
11 been met.

12 The courts in Alaska have recognized the refund
13 condition attached to interim rate increases as the cornerstone
14 to adequately protect the public against payment of excessive
15 rates. The Staff recommends that the utility be required to
16 refund any excess revenues collected under the interim rate
17 increase if, after investigation, it is determined that that
18 amount is greater than the permanent increase ultimately granted
19 in this proceeding. Thus, de facto the fourth element of the
20 GAAB test has been satisfied.

21 Finally, the utility's request must not be "frivolous
22 or obviously without merit." The Commission believes this
23 requirement is satisfied if the magnitude of the interim increase
24 is reasonable and not excessive in light of all the facts and
25 circumstances prevailing at the time of the request. AWU has
26 requested a 15 percent interim rate increase in the amount of
27 \$849,798. The Staff calculated a deficiency of \$1,058,591
28 based on rate of return methodology and of \$1,124,974 based on
29 the debt service coverage (DSC) methodology (1.25 DSC required
30 on revenue bonds). The utility's requested increase results in
31 a rate of return of 7.53 percent and DSC of 1.14. No adjust-
32 ments of operating expenses or rate base were made by Staff
for purposes of calculating the interim revenue deficiency.

1 Staff, after completion of its analysis of TA22-122,
2 recommended that AWU be granted a 15 percent refundable interim
3 rate increase applicable on an across-the-board basis to recur-
4 ring charges and certain non-recurring charges currently in
5 effect for billings rendered on or after October 16, 1981.
6 Staff concurred with AWU that some nonrecurring service charges
7 are impacted by increased operating expenses, e.g., labor, and,
8 therefore, should be subject to the 15 percent increase.

9 The Commission agrees with Staff's recommendation and
10 concludes that an interim rate increase of 15 percent is appro-
11 priate under the Alaska Supreme Court's decision in GAAB,
12 supra; A. J. Industries, supra; and RCA Alascom, supra. The
13 utility was telephonically notified of the Commission's decision
14 on October 12, 1981.

15 The Commission may at its discretion require an
16 escrow account or bond to assure the availability of refund
17 monies. AS 42.05.421(c). In exercising its discretionary
18 powers not to require AWU to escrow funds or to post a bond,
19 the Commission, in concurrence with Staff's recommendation,
20 will require the utility to refund any revenue gained from the
21 interim rate increase which exceeds the revenue which would
22 have been derived during the same period at the level of per-
23 manent rates ultimately granted in this proceeding.

24 Closure of Docket U-76-66

25 In Docket U-76-66, bulk water sale special contracts
26 with Central Alaska Utilities, Inc., and Romig Park Improvement
27 Co., Inc., are outstanding. The bulk water sale contracts will
28 be subsumed under Docket U-81-78. Since there are no further
29 substantive or procedural issues to be resolved in Docket
30 U-76-66 and there are no costs to be allocated, Docket U-76-66
31 should be closed.
32

1 As a condition of acceptance of TA21-122, a request
2 to eliminate Schedule E - Private Fire Protection, AWU was
3 ordered to file a cost-of-service study by June 1, 1981. In a
4 letter dated May 22, 1981, AWU indicated its intent to file a
5 new revenue requirement study by September 1, 1981. AWU
6 indicated that it would be appropriate for the cost-of-service
7 study to be based on the new revenue requirement study.

8 The Commission concurs with AWU that the cost-of-
9 service study should be based on the permanent revenue require-
10 ment established in this proceeding. Therefore, the cost-of-
11 service study condition attached to approval of TA21-122 will
12 be subsumed under Docket U-81-78.

13 THE COMMISSION FURTHER FINDS AND CONCLUDES:

14 1. AWU is a public utility as defined in AS
15 42.05.701 and is subject to the regulatory jurisdiction of this
16 Commission.

17 2. AWU's request for permanent rate relief should be
18 suspended for an initial six-month period, not to extend beyond
19 April 16, 1982, pending full investigation of the proposed rate
20 increase.

21 3. AWU has demonstrated a revenue deficiency of
22 \$849,798 and should be granted a refundable interim rate increase
23 of 15 percent to be coterminous with Commission consideration
24 of the permanent rate request. The increase should be applied
25 across-the-board to the currently effective tariffed rates for
26 recurring charges for water sales and for non-recurring charges
27 excluding deposits and initial fees for connection, permits and
28 inspection.

29 4. AWU should be allowed to drop the private hydrant
30 maintenance fee.

1 5. AWU should not be required to establish an escrow
2 account or post a bond. The public will be protected by
3 requiring the utility to refund any excess revenues collected.

4 6. Inasmuch as special contract issues of Docket
5 U-76-66 are to be transferred to and subsumed in this Docket; no
6 further substantive or procedural issues remain to be considered
7 or resolved in that proceeding; there are no costs to be allo-
8 cated under AS 42.05.651, and Docket U-76-66 should be closed.

9 7. The cost-of-service study condition attached to
10 approval of TA21-122 should be transferred to and subsumed
11 under Docket U-81-78.

12 8. Staff should be made a party to this proceeding.

13 ORDER

14 THE COMMISSION FURTHER ORDERS:

15 1. The operation of the tariff revision, designated
16 as TA22-122, filed by the Municipality of Anchorage d/b/a
17 Anchorage Water Utility, is suspended for an initial six-month
18 period not to extend beyond April 16, 1982.

19 2. The Municipality of Anchorage d/b/a Anchorage
20 Water Utility is granted an interim rate increase of 15 percent,
21 fully refundable and coterminous with Commission consideration
22 of the permanent rate request. The increase is applicable on
23 an across-the-board basis to currently tariffed rates for
24 recurring charges for water sales and for non-recurring charges
25 excluding deposits and fees for initial connections, permits
26 and inspection, upon bills rendered on or after October 16,
27 1981.

28 3. The private hydrant maintenance fee, Rule 10.10
29 of Tariff Sheet No. 47 shall be deleted.

30 4. The Municipality of Anchorage d/b/a Anchorage
31 Water Utility shall maintain records of each customer paying
32 the interim rate increase. The utility shall be required to

1 refund any revenues collected under the interim rate increase
2 in excess of revenues which would have been derived during the
3 same period if the permanent rate increase ultimately granted
4 in this proceeding had been in effect. If the rates which the
5 Commission subsequently allows on a permanent basis are greater
6 than rates allowed on an interim basis, the resultant revenue
7 deficiency may not be collected by the Municipality of Anchorage
8 d/b/a Anchorage Water Utility.

9 5. By November 15, 1981, the Municipality of
10 Anchorage d/b/a Anchorage Water Utility shall file amended tariff
11 sheets reflecting the interim rate increase approved by this
12 Order.

13 6. An investigation is instituted into the reason-
14 ableness and propriety of the subject tariff filing.

15 7. The outstanding issues in Docket U-76-66 and
16 TA21-122 are subsumed in Docket U-81-78.

17 8. Docket U-76-66 is closed.

18 9. The Municipality of Anchorage d/b/a Anchorage
19 Water Utility shall file a cost-of-service study, with the
20 deadline for its submission to be established by a subsequent
21 order of the Commission.

22 10. The Commission Staff is made a party to this
23 proceeding.

24 DATED AND EFFECTIVE at Anchorage, Alaska this 29th day of
25 October, 1981.

26 BY DIRECTION OF THE COMMISSION
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30 (S E A L)
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ALASKA PUBLIC UTILITIES COMMISSION
100 MacKay Building - 338 Denali Street
Anchorage, Alaska 99501
Phone 276-6222

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STATE OF ALASKA

ALASKA PUBLIC UTILITIES COMMISSION
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

Hammond
Off
U-81-90
JAY S. HAMMOND, Governor

1100 MacKay Building
338 Denali Street
Anchorage, Alaska 99501

Phone (907) 276-6222

November 5, 1981

Mr. John W. Coyne
Assistant Municipal Attorney
Municipality of Anchorage
Pouch 6-650
Anchorage, Alaska 99502

Dear Mr. Coyne:

RE: The Application of the Municipality of Anchorage
For a Certificate of Public Convenience and
Necessity to Operate as a Public Utility
Furnishing Garbage, Refuse and Trash
Collection and Disposal Service

With recognition of the fact that Staff agreed that responses to questions 3, 4 and 10 could be omitted and the request for exemption by the Municipality of Anchorage, a review of the above referenced application discloses that the application is deficient or otherwise incomplete in the following respects:

- (1) The \$50.00 application fee required by AS 42.05.661 and noted in instructional footnote 2 of the application has not been paid.
- (2) The service area description, Exhibit E, is not set forth in township, range and section designations as requested in instructional footnote 3 of the application.
- (3) The proposed tariff included with the application is not set forth in the format approved by the Commission, as required by 3 AAC 48.200, 3 AAC 48.430 and as noted in instructional footnote 13 of the application.

In order that noticing of the application can be made and to avoid any further unnecessary delay in the processing of the application, you are requested to immediately remit the statutory \$50.00 application fee and not later than November 20, 1981, file a service area description set forth in the township, range and section format for the areas in which the utility services are provided.

- Item 17


November 5, 1981
Page 2

Pending its initial consideration whether to grant the requested exemption from economic regulation, the Commission will not require that the format of the proposed tariff be corrected or that a response to question 14 of the application be filed. However, the Municipality of Anchorage is placed on notice that correction of the tariff format and the filing of a response to question 14 of the application as well as the filing of other supplemental information may be required prior to any final decision of the Commission regarding the requested exemption or certification application.

BY DIRECTION OF THE COMMISSION

Very truly yours,

ALASKA PUBLIC UTILITIES COMMISSION


John B. Farleigh
Executive Director

Transmitted to			
Class	OK	MW	10/30/81
Priority	OK	SW	10-30-81
Date			November 4
Number	OK	DAB	11-3-81

STAFF ACTION	
Checked by	
Typed by	
Checked by	
Approved by	

November 4
October 27, 1981

FINAL CHECKED BY _____ & _____
 OF THE COMMISSION

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Mr. John W. Coyne
 Assistant Municipal Attorney
 Municipality of Anchorage
 Pouch 6-650
 Anchorage, Alaska 99502

Dear Mr. Coyne:

RE: The Application of the Municipality of Anchorage
 For a Certificate of Public Convenience and
 Necessity to Operate as a Public Utility
 Furnishing Garbage, Refuse and Trash
 Collection and Disposal Service

With recognition of the fact that Staff agreed that responses
 to questions 3, 4 and 10 could be omitted and the request
 for exemption ^{by the Municipality of Anchorage} a review of the above referenced application
 discloses that the application is ~~incomplete~~ ^{deficient} or otherwise
 incomplete in the following respects:

- (1) The \$50.00 application fee required by AS 42.05.661 and noted in instructional footnote 2 of the application has not been paid.
- (2) The service area description, Exhibit E, is not set forth in township, range and section designations as requested in instructional footnote 3 of the application.
- (3) The proposed tariff included with the application is not set forth in the format approved by the Commission, as required by 3 AAC 48.200 ~~48.3~~ AAC 48.430 and as noted in instructional footnote 13 of the application.

In order that noticing of the application can be made and to avoid any further unnecessary delay in the processing of the application, you are requested to immediately remit the

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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall
Diana E. Snowden

In the Matter of the Filing of a)
Tariff Revision, Designated as) U-81-33
TA139-120, by the MUNICIPALITY)
OF ANCHORAGE d/b/a ANCHORAGE) ORDER NO. 2
TELEPHONE UTILITY To Change the)
Conditions and Rates for Coin)
Telephone Service)
_____)

ORDER EXTENDING SUSPENSION PERIOD AND
REQUIRING SUPPLEMENTAL INFORMATION

Due to the workload and out-of-state commitments of the hearing panel in this proceeding and the desire by the full Commission to address the social issue raised by the utility's request to increase the rates for public and semi-public telephone service from 10¢ to 20¢ per call, the Commission will extend the suspension period in this Docket until March 1, 1982.

In addition, the Commission requests the utility to respond to the following questions:

1. Is it technically feasible to limit a coin telephone call in the utility's service area to three or five minutes? What would be the cost of imposing that limitation?

2. Do the utility's coin telephones presently operate on a "Dial Tone First" basis? If not, is it technically feasible to convert the utility's coin telephones to operate on that basis so that users can reach the operator or 911 without the requirement of the deposit of coins? What would be the timetable and cost of that conversion?

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Item 18

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ORDER

THE COMMISSION FURTHER ORDERS:

1. The operation of the tariff revision, designated as TAL39-120, filed by the Municipality of Anchorage d/b/a Anchorage Telephone Utility is suspended for an additional 90-day period not to extend beyond March 1, 1982.

2. By January 15, 1982, the Municipality of Anchorage d/b/a Anchorage Telephone Utility shall file the following information with the Commission:

a. Is it technically feasible to limit a coin telephone call in the utility's service area to three or five minutes? What would be the cost of imposing that limitation?

b. Do the utility's coin telephones presently operate on a "Dial Tone First" basis? If not, is it technically feasible to convert the utility's coin telephones to operate on that basis? What would be the timetable and cost of that conversion?

DATED AND EFFECTIVE at Anchorage, Alaska, this 1st day of December, 1981.

BY DIRECTION OF THE COMMISSION
(Commissioners Stuart C. Hall, concurring in result, and Susan M. Knowles and Diana E. Snowden, not participating)

(S E A L)



007

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall
Diana E. Snowden

In the Matter of the Filing of an)
Application for Amendment of Cer-)
tificate of Public Convenience and)
Necessity No. 120 by the MUNICI-)
PALITY OF ANCHORAGE d/b/a)
ANCHORAGE TELEPHONE UTILITY To)
Include Elmendorf Air Force Base)
in Its Service Area)

U-80-8
ORDER NO. 2

In the Matter of an Amendment to)
Certificate of Public Convenience)
and Necessity No. 19 held by)
MATANUSKA TELEPHONE ASSOCIATION)
INC., To Delete Elmendorf Air)
Force Base from Its Service Area)

U-80-90
ORDER NO. 2

ORDER ESTABLISHING DATES FOR PUBLIC
HEARING AND SUBMISSION OF PRE-FILED
TESTIMONY

On February 29, 1980, the MUNICIPALITY OF ANCHORAGE
d/b/a ANCHORAGE TELEPHONE UTILITY (ATU) filed with the Commission
an application for an amendment of Certificate of Public Conven-
ience and Necessity No. 120 to include Elmendorf Air Force Base
(EAFB) in its authorized service area.

On November 13, 1980, the Commission, after noticing the
application and reviewing the filing, issued Orders No. 1 in the
above-captioned proceedings which in part: granted an amendment
to the certificate of ATU to include that portion of EAFB that was
not within the service area of MATANUSKA TELEPHONE ASSOCIATION,
INC. (MTA); granted a temporary amendment to the certificate of
ATU to include that portion of EAFB that was within the service
area of MTA; and indicated a public hearing would be scheduled in

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1 accordance with AS 42.05.271 to determine if the public conven-
2 ience and necessity requires MTA's certificate No. 19 to be modi-
3 fied to exclude EAFB from its service area, and if so, whether the
4 service area of ATU should be enlarged to include this area. ATU
5 will have the burden of proving that MTA's certificate should be
6 modified to satisfy the requirements of the public convenience and
7 necessity. ATU will also bear the burden of proof that it is fit,
8 willing and able to provide local exchange service to EAFB on a
9 permanent basis. MTA will be required to present testimony rele-
10 vant to these issues and its intention of providing service in
11 this area of EAFB.

12 The Commission believes it would be conducive to a fair
13 and expeditious disposition of the proceedings to require ATU and
14 MTA to each submit a list of witnesses in the order of their
15 appearance and to pre-file written prepared, instead of oral
16 direct, testimony in accordance with 3 AAC 48.150(f). ATU and MTA
17 will be specifically precluded from calling witnesses who have not
18 submitted prepared written testimony. Exceptions may be granted
19 by the Commission based on an offer of proof that a witness's
20 testimony is necessary for a complete evidentiary record. Justi-
21 fication for the omission of the witness from the original witness
22 list must be provided.

23 THE COMMISSION FURTHER FINDS AND CONCLUDES:

24 1. A public hearing should be scheduled in these pro-
25 ceedings in Anchorage, Alaska, at which time ATU will be required
26 to show that the public convenience and necessity require that
27 MTA's certificate be modified to exclude EAFB from its service
28 area and that it is fit, willing and able to provide local ex-
29 change service to EAFB on a permanent basis.

30 2. ATU and MTA should be required to pre-file testimony
31 in accordance with 3 AAC 48.150(f), together with lists of wit-
32 nesses in the order of their appearance.

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ORDER

THE COMMISSION FURTHER ORDERS:

1. A public hearing shall be held at 9:00 a.m. on January 26, 1982, at the Commission's offices, 1100 MacKay Building, 338 Denali Street, Anchorage, Alaska. At the hearing, the Municipality of Anchorage d/b/a Anchorage Telephone Utility shall bear the burden of proving that the Certificate of Public Convenience and Necessity No. 19 of Matanuska Telephone Association, Inc., should be modified to exclude the service area within the boundaries of Elmendorf Air Force Base to meet the requirements of the public convenience and necessity. The Municipality of Anchorage d/b/a Anchorage Telephone Utility shall also bear the burden of proving that it is fit, willing and able to have permanent operating authority within the boundaries of Elmendorf Air Force Base.

2. The Municipality of Anchorage d/b/a Anchorage Telephone Utility shall file by 4:00 p.m., January 19, 1982, a list of witnesses in the order of their appearance and written prepared testimony for each witness.

3. Matanuska Telephone Association, Inc., shall file by 4:00 p.m., January 19, 1982, a list of witnesses in the order of their appearance and written prepared testimony for each witness relevant to the issues contained in Ordering Paragraph 1 and its plans for providing service in this portion of its service area.

DATED and Effective at Anchorage, Alaska, this 14th day of December, 1981.

BY DIRECTION OF THE COMMISSION
(Commissioners Marvin R. Weatherly and Susan M. Knowles,
not participating)

(S E A L)

1 has not yet been completed on the final Staff report. The Staff
2 believes it is in the public interest that such a comprehensive
3 and analytical report be submitted.

4 DATED this 15th day of December, 1981.

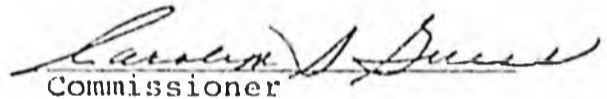
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6 WILSON CONDON
ATTORNEY GENERAL

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8 By Elisabeth H. Ross
Elisabeth H. Ross
9 Assistant Attorney General
Alaska Public Utilities
10 Commission Staff

11 ORDER

12 The Staff shall have until January 15, 1982 for the
13 filing of its report on the Girdwood-Alyeska first normalized year
14 of operation revenue requirement study.

15 DATED AND EFFECTIVE this 15 day of December, 1981, at Anchorage, Alaska.

16
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18 
Commissioner

19
20 This Order is designated as Order No. 13 in Docket U-80-4 and
21 Order No. 4 in Docket U-81-36.

22
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24 (SEAL.)



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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

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Before Commissioners:

Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall
Diana E. Snowden

In the Matter of the Filing of a)
Tariff Revision, Designated as) U-81-46
TA148-120, by the MUNICIPALITY OF)
ANCHORAGE d/b/a ANCHORAGE TELEPHONE) ORDER NO. 2
UTILITY To Change the Rate Structure)
for the Provision of Basic Telephone)
Instruments)
_____)

ORDER EXTENDING SUSPENSION PERIOD
AND INCORPORATING INVESTIGATION OF
STRAIGHT LINE FEATURE

On June 16, 1981, the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE TELEPHONE UTILITY (ATU) filed a tariff revision, designated as TA148-120, requesting a change in rates and rate structure to separate billing charges between service access lines and telephone instruments. ATU stated that this was necessitated by recent Federal Communications Commission (FCC) actions.

ATU's present tariff provides for basic local business or residence service which includes the first or main telephone instrument at no additional charge. An additional charge is assessed for each extension connected to the basic local service. In TA148-120, ATU proposed to eliminate the extension charge, but proposed to charge the customer for each instrument (including the main instrument) provided by the utility. ATU asserted that elimination of extension service charges and implementation of charges for instruments would result in virtually no net change in revenue.

The filing was noticed on June 24, 1981, with a closing date of July 23, 1981, for the submission of statements in support

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1 of, or in opposition to, the proposed tariff revision. No public
2 response was received.

3 On July 30, 1981, the Commission issued Order No. 1 in
4 this Docket which suspended TA148-120 for an initial six-month
5 period and required ATU to file its permanent revenue requirement
6 in accordance with 3 AAC 48.275(a) and a concurrent unbundling of
7 rates by November 1, 1981. The Commission found that it could not
8 evaluate the reasonableness or fairness of ATU's proposed rates
9 without this required information.

10 On November 4, 1981, ATU, through its attorney, submit-
11 ted a letter of response to "various Staff and Commission concerns
12 resulting from ATU's filing in Docket U-81-46 and ATU's attempts
13 to satisfy those concerns." In this letter ATU attempted to
14 provide a number of reasons why the Commission should accept the
15 unbundling proposed in TA148-120, and should set work sessions
16 with ATU to establish appropriate methodology for the performance
17 of a cost-of-service study. ATU averred that due to the multitude
18 of recent developments in the industry relating to FCC rulings,
19 toll settlements, new tariffs, etc., a meaningful cost-of-service
20 study cannot be performed without some guidance from the Commis-
21 sion. As an alternative, ATU suggested scheduling a public hear-
22 ing at which ATU and Staff could present testimony concerning the
23 filing.

24 The Commission is of the opinion that such a hearing is
25 not appropriate at this time. The Commission wishes to reaffirm
26 its position as set forth in Order No. 1 that the material filed
27 with TA148-120 is insufficient to determine the reasonableness of
28 the rates proposed. Although implementation of the proposed rates
29 will not result in a net increase in revenues to ATU, it does
30 constitute a rate increase because customers will now be charged
31 for an individual service that has previously been part of the
32

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1 total monthly recurring charge - i.e., use of the main instrument.
2 The Commission reiterates the necessity for a filing in accordance
3 with 3 AAC 48.275(a) and a concurrent unbundling of rates prior to
4 implementation of TA148-120. However, the Commission concurs with
5 ATU that it is essential that some guidance be given in order to
6 make that filing as meaningful and cost effective as possible. To
7 this end, the Commission intends to issue at some time in the
8 future a General Order providing guidelines concerning the method-
9 ology and information that must be submitted as a part of the
10 tariff revision which requests unbundled rates. Therefore, the
11 Commission believes it appropriate to extend the suspension period
12 of TA148-120 until the Commission is able to provide this guidance
13 to ATU.

14 Also, on November 5, 1981, the Staff filed a motion
15 requesting the Commission to consolidate the investigation of the
16 straight line feature telephone rates (U-81-29) with this proceed-
17 ing. ATU stated it did not oppose the motion. The Commission had
18 granted interim approval to rates for straight line feature tele-
19 phones for the Rolm CBX, Rolm SCBX, and the SC-1 and suspended the
20 filing for further investigation. Comtec, Inc., a company engaged
21 in selling, installing, and maintaining telephone equipment, had
22 filed a protest to the tariff revision request, but had never
23 filed for intervention in the formal investigation proceeding.

24 The Commission observes that the suspension period in
25 U-81-29 expired November 11, 1981. However, the rate investiga-
26 tion of the instrument group targeted in U-81-29 is one small
27 subset of the investigation required and is incorporated in
28 U-81-46, and it is the Commission's intention to investigate the
29 straight line feature telephone rates into this proceeding.

30 ORDER

31 THE COMMISSION FURTHER ORDERS, That, the operation of
32 the tariff revision, designated as TA148-120, filed by the

1 Municipality of Anchorage d/b/a Anchorage Telephone Utility is
2 further suspended until August 1, 1982.

3 DATED AND EFFECTIVE at Anchorage, Alaska, this 28th day of
4 January, 1982.

5 BY DIRECTION OF THE COMMISSION
6 (Commissioner Susan M. Knowles, not participating)

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9 (S E A L)



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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall
Diana E. Snowden

In the Matter of the Investigation)
into the Availability of Natural) U-81-82
Gas to ALASKA GAS AND SERVICE)
COMPANY and Establishing a Proce-) ORDER NO. 2
dure for Interrupting Natural Gas)
Service Power Plants as May be)
Required by Capacity or Deliver-)
ability Constraints and for Equi-)
table Sharing of the Costs of)
Alternate Fuels)

ORDER APPROVING PROCEDURES FOR INTERRUPTION OF SERVICE AND
ESTABLISHING METHODOLOGY FOR ALLOCATING COSTS
RESULTING FROM INTERRUPTIONS OF SERVICE

In response to concerns expressed by ALASKA GAS AND SERVICE COMPANY (AGAS) and its large power, interruptible customers, the MUNICIPALITY OF ANCHORAGE d/b/a MUNICIPAL LIGHT AND POWER DEPARTMENT (ML&P), CHUGACH ELECTRIC ASSOCIATION, INC. (CEA), and the UNITED STATES OF AMERICA (Military), representing Elmendorf Air Force Base and Fort Richardson Military Reservation, the Commission opened this docket of investigation into the natural gas supply situation in the Anchorage Bowl, procedures for interruption of natural gas service to the power plant customers, and cost-allocation methodologies associated with those service interruptions.

Background

The above-named parties notified the Commission, both orally and in writing, that AGAS was facing a potentially inadequate supply of natural gas during the 1981-82 winter season, a situation arising not only from a higher winter heating demand placed upon the AGAS system but also from a contract dispute

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1 between AGAS and the State of Alaska, Department of Revenue,
2 regarding the price of royalty gas which AGAS normally purchases
3 to meet cold weather demands.

4 Order No. 1, issued November 3, 1981, which instituted
5 this proceeding, also scheduled a public hearing on November 9,
6 1981, during which the following issues were addressed through
7 oral testimony:

- 8 1. Should AGAS be required to take royalty
9 gas at any price; and, if so, how should
the costs be recovered?
- 10 2. How should the costs of interruptions be
11 computed?
- 12 3. Once the costs are computed, how should
they be passed on?

13 The Commission also requested the parties to submit briefs of
14 their statements prior to the hearing in order to expedite the
15 proceeding. Briefs were submitted by the parties, with the excep-
16 tion of CEA, on November 6, 1981.

17 The Commission convened the public hearing at 1:30 p.m.,
18 November 9, 1981, in the Commission's hearing room. The hearing
19 was conducted before Commissioners Marvin R. Weatherly, Stuart C.
20 Hall, and Diana E. Snowden, with Commissioner Weatherly serving as
21 Presiding Officer.

22 The parties were represented as follows: AGAS by Dale
23 Teel, President, and Bill Hickman, Vice President and Treasurer;
24 ML&P by Thomas R. Stahr, General Manager, and Roger R. Kempel,
25 Attorney; CEA by its counsel William J. Moran, and Thomas S.
26 Kolasinski, Manager of Power Production; and the Military by
27 Lieut. Colonel Harold A. Froehle, Director of Facilities & Engi-
28 neering, U.S. Army, Ft. Richardson; Lieut. Colonel Theodore R.
29 Kinney, USAF, Chief, Operations Branch, 21st Civil Engineering
30 Squadron, Elmendorf A.F. Base; Capt. Diane E. Savage, U.S. Army,
31 Staff Judge Advocate, Fort Richardson, as Counsel, and David A.
32

1 Slenkamp, Chief of Utilities, Ft. Richardson. Also present were
2 Carolyn Evans, Utility Financial Analyst III on the Staff of the
3 Commission, and Assistant Attorney General, Elisabeth Ross, both
4 of whom served in an advisory capacity to the Commission in this
5 proceeding.

6 Stipulation By Parties on Order of Interruption

7 Prior to the hearing, AGAS submitted a Stipulation
8 requesting Commission approval of a proposed sequence of natural
9 gas interruptions among the large power customers, delineated in
10 Exhibit A thereto. The Stipulation also sought Commission devel-
11 opment of a cost-allocation methodology for alternate fuel ex-
12 penses incurred during gas curtailments. While not necessarily
13 opposing the Stipulation, Thomas Stahr of ML&P offered an alter-
14 native to the AGAS proposal in his comments submitted prior to the
15 hearing:

16 Interruption of industrial customers should
17 also be considered to conserve alternate fuels
18 for residential and commercial use. In addi-
19 tion to reducing fuel use for electric genera-
20 tion, the ensuing shutdown of industrial
21 processes could make considerable amounts of
22 process gas available. Certainly this would
23 have to be done with discretion to avoid
24 interrupting the flow of materials critical to
25 other areas of the state. It is possible that
26 a voluntary curtailment plan with partial
27 redirection of feed stock gas to the utility
28 (gas and electric) sector could be arranged as
29 this would be more rational than total inter-
30 ruption of industrial electric service.
31 (Stahr letter to APUC, dated October 15, 1981,
32 pp. 2-3.)

At the hearing, Commissioner Weatherly requested formal
comment regarding any problems inherent in the schedule of inter-
ruptions prepared by AGAS in its Stipulation. All parties were in
agreement that natural gas interruptions were ineluctable at some
point in time during the 1981-82 winter season. (The Commission
notes that, subsequent to the November 9, 1981, hearing, but prior
to the issuance of this Order, interruptions caused by extreme
cold weather and heavy heating demand did, in fact, occur.)

1 At no time during the hearing did any of the parties
2 dispute either the need for or the substantive content of AGAS's
3 proposed schedule of interruptions.¹ However, the Military's
4 concurrence was conditioned on the fact that they be reimbursed
5 for expenses incurred during periods of interruption, since with-
6 out a cost-sharing methodology, the Military would be penalized
7 with "...the entire brunt of the curtailments." (Tr., p. 8.)
8 None of the other parties presented further comment on the Stipu-
9 lation, nor did ML&P pursue the alternative approaches suggested
10 in its October 15, 1981, letter to the Commission.

11 The interruptible customers all utilize natural gas in
12 power plants but have varying capabilities to operate utilizing
13 alternate fuels. All parties agree that the short-term use of
14 alternate fuels will entail substantial additional costs over the
15 short-term cost of natural gas. Except for differences in cost-
16 sharing approaches, all parties concur that it is in the public
17 interest that interruptions in the natural gas supplied to these
18 customers occur in a specific order to minimize the inconvenience
19 and cost of alternative fuel usage to the community as a whole. In
20 its review of the proposed Stipulation and its attachments,
21 written comments of the parties, and the oral testimony presented
22 at the hearing, the Commission finds that the urgency of the
23 curtailment problem, the need for prompt agreement by all parties
24 to this proceeding, and the insufficient time available to explore
25 and perhaps implement an alternative curtailment procedure, col-
26 lectively dictate that the Commission accept the proposed proce-
27 dure for interruptions as a short-term plan for dealing with
28

29
30 ¹As a point of clarification, CEA requested that Exhibit A to
31 the Stipulation, Schedule for Planned Interruptions, be modified
32 to assure that Chugach is afforded the flexibility to determine
which of its power plants (i.e., Bernice Lake or International
Station) should be the first to be interrupted and/or restored.

1 natural gas interruptions in 1981-82. The Commission also finds
2 reasonable the request by CEA to clarify the need for flexibility
3 intended in the schedule of interruption. Recognizing that the
4 predetermined sequence of interruption is not precisely mandated
5 in the schedule, it is the intent of the Commission that the
6 schedule incorporate sufficient flexibility to allow AGAS and each
7 interrupted party the option to select the most cost efficient
8 alternative available at the time that each interruption occurs.
9 Therefore, the Commission adopts for use by the parties to this
10 proceeding the schedule of interruptions submitted by AGAS. A
11 copy of the schedule is attached to this Order as Appendix A.

12 Royalty Gas Purchases: Obligation to Serve

13 One of three issues outlined in Order No. 1 of this
14 Docket questioned whether AGAS should be required to purchase
15 royalty gas at any price because of the peak supply shortage this
16 winter. While this single subject dominated much of the testimony
17 at the hearing and in the briefs, the issue of mandated royalty
18 gas purchases by AGAS appears moot as of the date of issuance of
19 this Order because of more recent developments.

20 In a letter dated December 30, 1981, AGAS informed the
21 Commission and other parties to this proceeding that it is now
22 purchasing royalty gas for peaking purposes:

23 Concurrently, the management of AGAS made a decision to
24 minimize the take of royalty gas and the financial
25 impact thereof by taking the royalty only when required
26 to meet system demands in excess of other supplies. Of
27 import in this decision was the failure of Phillips to
28 move to force AGAS to take all the royalty (see page 4
29 of their letter dated July 17, 1981). We believe the
30 State will resist efforts to force AGAS to take all the
31 gas since the State believes it can charge a higher
32 wellhead price to Phillips. We further believe (but
cannot be certain) that Phillips will not force such
demand since it could result in cancellation of our
royalty contract and then Phillips would be obligated to
take all the royalty gas. (Hickman letter, dated Decem-
ber 30, 1981, pp. 2-3.)

31 Although this change in events obviates the immediate need for any
32 action on the part of the Commission, the Commission finds that in

1 view of the tenuous nature of the above-described understanding,
2 any shift in position by Phillips Petroleum, the State of Alaska,
3 or AGAS could bring the problem full circle before the Commission.
4 Furthermore, the broader question of a utility's obligation to
5 serve its customers is of such sufficient concern to the public
6 interest that the Commission believes the subject should be re-
7 viewed in this Order. For these reasons, the question of the
8 obligation to serve as it relates to the purchase of royalty gas
9 shall be discussed infra.

10 In his pre-filed testimony, AGAS's President, Dale Teel,
11 forcefully urged that it would not be in the public interest for
12 the Commission to require the purchase of royalty gas at any price
13 for the following reasons:

- 14 1. The price exacted by the State will impact all
15 future gas contract negotiations with producers.
- 16 2. The pricing policy presently imposed by the State
17 goes far beyond the Section 105 (of the Natural Gas
18 Policy Act) regulated prices they are asking for
19 the royalty today (approximately \$2.90/MCF).
- 20 3. The price requested by the State is in excess of
21 fair market value, at wellhead, of gas in the Cook
22 Inlet Area. (Direct (Pre-filed) Testimony of Teel,
23 undated, pp. 2-3.)

24 In response to questioning by the Commission, Teel
25 explained that AGAS had originally purchased royalty gas under the
26 assumption that it would be the lowest priced gas available. Yet
27 as the cost of royalty gas escalated each year by virtue of the
28 State contractual agreement, AGAS decided that royalty gas should
29 be used more for peak demand purposes. AGAS also stated that
30 royalty gas, priced higher than other sources, should be purchased
31 to provide comfortable safety and reliability margins during
32 periods of heavy gas use and to extend the life of the lower-
33 priced Kenai gas reserves and not, in the main, to prevent inter-
34 ruption of the power customers. However, AGAS suggested that
35 since the interruptible or "non-firm" customers have benefitted
36 more from royalty gas purchases than other customers, the

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1 interruptible customers should bear the costs of interruption.
2 Other reasons for this position were based on what AGAS termed as
3 regulatory principles, legal considerations, and the equitable
4 treatment of all its customers.

5 The final AGAS argument against mandatory royalty gas
6 purchases was the contractual requirement in existence at the time
7 of the November hearing which apparently obligated AGAS to pur-
8 chase royalty gas year-round and not just for peaking purposes.
9 Bill Hickman of AGAS estimated the annual cost of year-round
10 royalty gas purchases to be \$6 million, yet the cost of relying
11 upon the fuel switching capabilities of the interruptible power
12 customers (based upon an assumed 1981-82 winter interruption
13 scenario) was projected at \$465,000. In sum, it was the position
14 of AGAS that an order by this Commission forcing the year-round
15 purchase of royalty gas would result in unnecessary and greater
16 cumulative expenses to all of its customers when contrasted with
17 the option of curtailing its "non-firm" customers who had recourse
18 to alternate fuels.

19 In its Brief of Issues, ML&P requested that Order No. 1
20 be modified to delete from page 2, lines 5-6, of Order No. 1 the
21 phrase, "to meet its interruptible customers' cold weather
22 demands." ML&P pointed out that royalty gas purchases are physi-
23 cally commingled with all other AGAS purchases and should not be
24 designated as a product or service destined only for interruptible
25 customers. Contrary to the AGAS position, ML&P argued that roy-
26 alty gas is used "...to a much greater extent to meet the peaking
27 demands of the nonpower customers." ML&P expanded this position
28 in a letter to the Commission as follows:

29 The prime beneficiary of curtailment are [sic] the
30 customers that are not curtailed. The curtailment
31 problem is exacerbated by the extremely high demand of
32 customers using gas for space heating during cold
weather. Their paying for the curtailment costs through
the gas cost flow through mechanism would be a form of

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1 peak load pricing which would tend to properly represent
2 the true cost of providing the firm service they
3 require. (Stahr letter to APUC, dated October 15, 1981,
4 p. 2.)

5 ML&P further opined that the decision to refuse acqui-
6 sition of adequate deliverability or capacity to meet reasonably
7 anticipated requirements should not be left to corporate decision
8 makers because the public interest would clearly be im pacted by
9 such a decision. ML&P admitted that while royalty gas could be
10 priced so high that using alternative fuels would be the best
11 option, "... price issues do not abrogate the duty to obtain
12 adequate supplies." (ML&P Brief, p. 4.) It was ML&P's contention
13 that any refusal to take royalty gas could be an irrevocable
14 decision, since the State might then commit the royalty gas to
15 other purposes and, as a consequence, the real cost of alternative
16 energy supplies might over time be much higher. ML&P averred that
17 AGAS should be required to take the royalty gas at the \$2.90 rate
18 offered by the State with the costs rolled in through the flow
19 through mechanism. Finally, ML&P emphasized that the AGAS rate
20 structure must be redesigned subsequent to a cost-of-service study
21 to properly address the entire interruptible rate class problem.

22 In its comments, the Military stated that AGAS should
23 not be required to take royalty gas at any price solely to satisfy
24 the seasonal needs of the interruptible customers and urged Com-
25 mission support for AGAS's attempt to secure State royalty gas as
26 a seasonal supplement. According to the Military, costs incurred
27 by the interruptible customers in converting to alternate fuels
28 during curtailment should be passed on as if the alternate fuels
29 had been purchased from potential suppliers of natural gas.

30 In addressing the generic issue of the obligation to
31 serve, this Commission finds that the fundamental duty of a public
32 utility to serve the public exists independent of any statute
33 regulating the manner in which a utility conducts its business.

1 The obligation is imposed upon a company because it is organized
2 to transact business affected with the public interest and because
3 the company has held itself out to the public as being fit, will-
4 ing and able to serve all its customers. It should be evident,
5 therefore, that under common law, and by statute in this State,
6 AGAS is obligated to provide adequate, efficient and safe service
7 to the customers in its service area. (Southwest Gas Corp. v.
8 Nevada P.S.C., 474 P.2d 379 (1970) and AS 42.05.291(a).)

9 The Commission also finds, however, that the obligation
10 to provide adequate service has meaning only in reference to the
11 demands of the public, the cost of the service, and the financial
12 condition of the company offering the service. (Re General Tele-
13 phone Co. of Ca., 80 PUR 3d 2 (Ca. P.U.C., 1969).) Based on the
14 record in the proceeding and the testimony and evidence of the
15 parties, the Commission finds that as of the date of the hearing,
16 the price of royalty gas offered to AGAS was too high and the
17 terms under which the gas was to be taken were not economical when
18 compared with the short-term alternative energy sources available.
19 Thus, in this instance, AGAS should not have been required to
20 purchase year-round royalty gas when the conversion to alternative
21 fuel supplies would result in a net economic gain to the Anchorage
22 community. Furthermore, it is consistent with the testimony and
23 evidence on the record that the costs of any royalty gas purchases
24 which are actually made by AGAS should be flowed through to all
25 AGAS customers on an even cents-per-Mcf basis as provided by
26 tariff.

27 In so finding, the Commission agrees that AGAS does
28 indeed, as propounded by ML&P, have "... a contractual and public
29 utility responsibility to acquire gas supplies adequate to serve
30 the needs of all its customers." (Stahr letter to APUC, dated
31 October 15, 1981, p. 1.) While this obligation is not absolute if
32

1 the supply cannot reasonably be obtained, the Commission further
2 orders that AGAS should aggressively continue its efforts to
3 resolve remaining disputes regarding the purchase of royalty gas,
4 diligently seek other long-term sources of supply, and develop a
5 plan encouraging voluntary conservation apposite to periods of
6 peak demand.

7 In rendering this decision, the Commission emphasizes
8 that its judgment is based solely upon the facts and circumstances
9 surrounding the 1981-82 winter season. Moreover, the Commission
10 intends to fully investigate AGAS's efforts to obtain sufficient
11 long-term commitments of natural gas in the upcoming AGAS perman-
12 ent rate case (Docket U-81-101), which will be scheduled for
13 public hearing later this year.

14 Tariffed Rates for Interruptibility:
15 Allocation of Interruption Costs

16 A central issue in the testimony of AGAS emphasized
17 that, while royalty gas purchases would alleviate a portion of the
18 peak demand problem, interruptions should still be anticipated by
19 the large power customers. According to Hickman, royalty gas
20 purchases could account for only one-third to one-half of the
21 projected 1981-82 natural gas shortage during periods of peak
22 winter demand. With no evidence presented which contradicted
23 AGAS's figures in this instance, the Commission finds the issue of
24 interruptibility and the calculation of associated costs
25 (irrespective of royalty gas purchases) to be of primary impor-
26 tance in determining the allocation of costs to the parties.

27 AGAS averred that its present tariff and rate design had
28 been addressed in testimony presented by many different experts
29 during its last permanent rate case, and all had recognized that
30 interruptible customers would bear the costs of interruption.
31 Moreover, in authorizing the present rate structure, AGAS

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1 contended that the Commission had recognized the risks of inter-
2 ruption. According to AGAS, "In subsequent years, each interrup-
3 ted customer paid his costs of interruption without question or
4 complaint." (Direct (Pre-filed) Testimony of Teel, undated, p.
5 5.)

6 AGAS asserted that now, however, these customers are
7 requesting the Commission to require the firm customers to share
8 the costs of interruption--without benefit of a cost-of-service
9 study. AGAS declared that this proceeding is not the forum in
10 which to consider rate redesign or the reallocation of the costs
11 of interruption, but, rather, such issues should be examined in a
12 future AGAS rate design proceeding. AGAS also maintained that
13 construction projects completed since its last rate case had
14 further benefitted interruptible customers more than firm custom-
15 ers.

16 When questioned as to the number and cause of prior
17 interruptions, AGAS disclosed that the winter of 1980 was the
18 first year AGAS interrupted service because of insufficient gas
19 supply. Although AGAS interrupted service on occasions prior to
20 1980, these interruptions were a result of mechanical breakdowns.

21 In summary, AGAS distinguished between what it con-
22 sidered firm customers and its interruptible customers. AGAS
23 purported that it must provide natural gas supplies sufficient to
24 meet the demands of firm customers only. Interruptible customers
25 are subject to curtailment and have enjoyed reduced rates to
26 compensate for this. Accordingly, AGAS proposed that any addi-
27 tional costs incurred during an interruption should be the sole
28 responsibility of the interrupted parties. AGAS did, however,
29 believe that a cost-sharing arrangement among interruptible cus-
30 tomers was necessary because the schedule of interruptions pro-
31 vided for in the Stipulation could not logically distribute the
32 hours of interruption evenly.

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1 The position of ML&P regarding the purpose of the AGAS
2 interruptible tariff rate diverged markedly from AGAS's perception
3 of the tariff's history. According to ML&P, the "... differential
4 between final rates and the results of the cost-of-service study
5 is so minor that the entire difference since the date of the order
6 [U-75-95(16)] was just about eliminated by the short natural gas
7 curtailment experienced by ML&P during last winter's peak season."
8 (Kempel letter to APUC, dated October 21, 1981, p. 3.) Thus,
9 ML&P reasoned that it should be treated, in effect, as a "quasi-
10 firm" customer.

11 In addition, ML&P countered that firm customers have
12 received advantageous rates over "non-firm" customers because of
13 the inclusion of interruptible customers in AGAS's load factor.
14 ML&P thus recommended that AGAS in essence "purchase" alternative
15 fuel by reimbursing the interruptible customers for all costs in
16 excess of the price of natural gas. These costs would be flowed
17 through by AGAS to all customers via the purchased gas adjustment.
18 CEA concurred with this recommendation. Finally, the Military
19 also indicated that there was merit to the ML&P proposal, which
20 would require AGAS to flow through all interruption costs to its
21 customers. The Military acknowledged that such a proposal might
22 be less costly to themselves than perhaps their own proposal.

23 The major point of difference between AGAS's and ML&P's
24 view of the situation appeared to originate from different con-
25 cepts of AGAS's responsibility to provide service to the interrup-
26 tible customers. AGAS suggested that these customers can be
27 curtailed at the discretion of AGAS, and concomitantly, any costs
28 the interruptible customers incur while curtailed should be borne
29 by them. Conversely, ML&P countered that AGAS, arguably, has an
30 absolute responsibility to provide sufficient natural gas to serve
31 all its customers. Therefore, if AGAS did not provide the
32

1 service, ML&P reasoned that AGAS should bear the incremental costs
2 that customers incur by utilizing alternate fuel sources.

3 The traditional resolution to this dispute would involve
4 a review of AGAS's tariff. All customers are currently served
5 under Tariff Sheet No. 30, Rates for Power Plant Service, which
6 states in part: "The power plants named above are subject to
7 varying interruptions of service by terms of the respective con-
8 tracts or letter agreements." Thus, it is clear that AGAS's
9 tariff allows interruption of these customers but is not explicit
10 with regard to whether the tariff rates were designed to reflect
11 the impact of interruptibility. Moreover, it appears that such
12 interruptions were not intended to be extensive; the discussion
13 surrounding the Commission's approval of AGAS's rate design in the
14 previous rate case clearly indicates that some consideration was
15 given to interruptibility when rates were set.

16 Although AGAS is correct in its contention that inter-
17 ruptibility was a determination in the establishment of final
18 rates in Docket U-75-95, the record is equally clear that the
19 scope and likelihood of interruptions (and associated costs)
20 contemplated during AGAS's last rate case were not of the magni-
21 tude now suggested by AGAS in 1981:²

22 Perhaps the more important determination relative
23 to designing rates is an assessment of the likely degree
24 rather than the certainty of interruption. The evidence
25 in this proceeding indicates that while capacity inter-
26 ruptions are anticipated, they will be limited in number
27 and duration. First, the power contracts under discus-
28 sion appear to reflect the perceived outside limits on
29 interruptions, ten hours a month or five days a year.
30 Second, questions can certainly be raised about the
31 preparedness of the power plants for interruptions up to
32 contract limits not to mention beyond. Third, many of
the terms and conditions governing interruptions are

2 AGAS's current assessment of the problem was described by
Teel in his letter of September 15, 1981: "Specifically, we
expect that there will be relatively frequent and extended periods
this winter [1981-1982] when the total demand on us for natural
gas will exceed the supply available...."

1 unclear or unknown. Thus, it would appear that the load
2 duration curve of the utility mandates some flexibility
3 to interrupt but that this sanction will be invoked
4 infrequently at best. The utility has stated that the
5 power plants as a large and steady source of revenues
6 are the basic flywheel of the utility's operations.
7 (Tr. XIX-1244.) The impression that is conveyed is that
8 AGAS will make every reasonable effort to serve the
9 power plants on as continuous a basis as possible.
10 Capacity will be increased to meet demand but there will
11 be intermittent periods where interruptions will proba-
12 bly be necessary. At those points where system demand
13 exceeds system capacity, interruptions could be antici-
14 pated.

15 The question then turns to what consideration is
16 appropriate in rates for transitional periods of inter-
17 ruption....No analysis of cost and cost-benefit trade-
18 offs were prepared or presented by the parties to quan-
19 tify the amount. As a result, the Commission has no
20 basis for a precise determination and is left to con-
21 sider interruptibility as an additional subjective
22 factor in the rate design. (U-75-95(16), pp. 57-58.)

23 In rendering its decision regarding the appropriate
24 allocation of interruption costs, the Commission believes that the
25 rate design effected in Docket U-75-95 was based upon circum-
26 stances which have since changed radically.³ Consequently, the
27 Commission finds that it would be unfair to the interruptible
28 customers to bear the full burden of extensive curtailments when
29 such were not contemplated in the ratemaking or in the contracts
30 themselves. Therefore, it appears that the question now revolves
31 around the frequency or duration of curtailments to which AGAS may
32 submit interruptible customers without violation of its tariff.

33 To determine the factual context of this issue, it is
34 necessary to refer to the contracts referenced in the final order

35 ³ Perhaps the most significant change in circumstance is the
36 fact that AGAS in 1975 was confronted with a capacity shortage,
37 whereas in 1982 the testimony on the record is that the shortage
38 is one caused by an inadequate supply of natural gas. The Commis-
39 sion recognizes and acknowledges the difference between a capacity
40 and supply shortage but absent a cost-of-service study and a
41 complete record on both the capacity and supply issues, the Com-
42 mission will treat the terms synonymously for the sole purpose of
43 arriving at an interim short-term solution in this proceeding.
44 The Commission will, however, examine AGAS's system capacity and
45 natural gas supply contracts in Docket U-81-101.

1 of Docket U-75-95(16). The contracts in existence with ML&P and
2 CEA at that time specifically referred to interruption periods not
3 in excess of 10 cumulative hours per month, but provided that AGAS
4 might accumulate and implement such periods not to exceed 120
5 hours during any 12 consecutive months. It is the Commission's
6 opinion that these limits represented the best information avail-
7 able as to the degree of interruption intended by AGAS's tariff
8 and the degree to which rates were subjectively adjusted in the
9 previous rate proceeding.⁴

10 Regrettably, the Commission finds itself required to
11 allocate costs at this time without benefit of a cost-of-service
12 study or a thorough analysis of the future supply of natural gas
13 in the Anchorage bowl area. This information would provide the
14 most technically accurate basis for a decision. Absent such data,
15 the decision of this Commission will, of necessity, be a less than
16 perfect solution. However, the Commission does believe that a
17 judgment, based on AGAS's tariff and the testimony and evidence
18 submitted during AGAS's last rate case, provides a reasonable
19 starting point for a temporary and short-term resolution to the
20 allocation of interruption costs until such time as AGAS's new
21 rate redesign is approved.

22 Cognizant of the above but in the absence of recent
23 data, the Commission believes that the most reasonable foundation
24 for the allocation of interruption costs is to begin where the
25 last rate design left off, i.e., to allow AGAS only the outside
26 limit of interruption hours provided for in the then existing
27

28
29 ⁴The Commission recognizes that each of the contracts in
30 existence during the last AGAS rate proceeding contained inter-
31 ruption clauses which varied somewhat on issues such as oil cost
32 reimbursement, base price of natural gas, accumulating periods of
interruption, etc. However, the fundamental concept which allowed
AGAS to interrupt up to 10 hours per month appeared consistently
in each of the contracts.

1 contracts. More specifically, the Commission finds that all costs
2 of alternate fuel usage up to those contract limits should be
3 borne by the interruptible customers. The Commission further
4 believes that since interruptions in excess of these limits were
5 not foreseen or agreed to by the interruptible customers, any
6 costs in excess of the cost of natural gas which these customers
7 incur due to curtailment of natural gas supply beyond the maximum
8 limits should be reimbursed by all AGAS customers. Since these
9 costs represent an operating expense to AGAS, the Commission must
10 assume that AGAS considers this the least-cost alternative to the
11 purchase of additional gas supplies. Therefore, such expenses are
12 of benefit to all customers and should be paid by all, including
13 interruptible customers.

14 Computation of Costs of Interruption

15 In determining the methodology for computing interrup-
16 tion costs, the Commission reviewed all of the plans submitted by
17 the parties. The AGAS plan recommended that the cost of alternate
18 fuels used during curtailment be borne by only the interruptible
19 customers and their subscribers. The ML&P plan called for the
20 curtailment costs to be flowed through to all AGAS customers via
21 its gas flowthrough clause.⁵ ML&P also affirmed its previous
22 statement that curtailment costs should only consider actual
23 extraordinary expenses associated with the interruption and not
24 include costs which would be incurred in any case. According to
25 ML&P's Brief of Issues, p. 5, "normal and accepted cost accounting
26 and regulatory treatment should be used" in computing the costs of
27 royalty gas and curtailment, which then should be passed on to all
28 gas customers on a flat Mcf basis. Pending a cost-of-service
29

30 _____
31 ⁵The Commission notes that AGAS's tariff in its present form
32 does not permit costs, other than those associated with an in-
crease in the price of natural gas, to be flowed through to its
customers.

1 study and restructuring of AGAS's rates, ML&P believed that the
2 curtailment compensation plan it previously submitted should
3 suffice to prevent any gross inequities arising from interruption
4 of service.

5 In addressing its version of the allocation plan, the
6 Military's greatest concern was that Military power plant custom-
7 ers should be fully compensated for all expenses, in excess of
8 their fair share, incurred as a result of conversion of their
9 power plants to oil or coal during curtailment periods. The
10 Military proposed an alternative cost formula for consideration at
11 the hearing. It was the Military's contention that since the
12 anticipated increase in curtailment was due to AGAS's decision not
13 to purchase royalty gas, costs associated with the curtailment
14 should be considered equivalent gas costs. To the extent that
15 Military power plants yield their share of gas during curtailment,
16 AGAS should credit Military accounts accordingly. Also, the other
17 power plant customers should be billed at a rate reflective of
18 the costs of the Military's use of alternate fuel, thereby freeing
19 up its share of the natural gas supply.

20 Finally, as an alternative approach, the Military con-
21 curred with ML&P's rationale that curtailment costs should be
22 flowed through to all AGAS customers. The Military also requested
23 that the AGAS formula be modified to reflect replacement costs of
24 alternate fuels as opposed to book value or historical costs and
25 took exception to the ML&P proposal which called for reimbursement
26 of expenses incurred only during curtailment. The Military re-
27 quested that expenses associated with fire prevention and main-
28 taining coal standby equipment also be reimbursed.

29 CEA supported ML&P's proposed cost-sharing arrangement
30 but "strongly" urged that replacement costs be used in calculating
31 alternate fuel costs.
32

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1 The Commission notes that all parties agree that a
2 certain order of interruption is appropriate in order to minimize
3 the inconvenience and cost of the use of alternate fuel sources to
4 the community as a whole. Furthermore, all parties basically
5 agree that some method for cost sharing is necessary to compensate
6 those most frequently interrupted. While some parties believe
7 that all costs should be borne by AGAS, their proposals would
8 result in a cost flowthrough to all customers, including inter-
9 ruptible, proportional to usage. Therefore, the Commission
10 assumes that there is no objection to the principle of sharing the
11 costs that the Commission has determined must be borne by the
12 interruptible customers, i.e., those costs incurred up to the
13 limit of 10 hours per month or 120 hours per year. It is apparent
14 that such sharing makes the established order of interruption
15 reasonable because it compensates the party that is always the
16 first to be interrupted. Without such compensation, repeated
17 curtailment of a single customer could constitute undue discrimi-
18 nation.

19 Because costs are to be pooled and allocated on a pro-
20 portional basis to the interruptible customers, the Commission
21 believes it is also appropriate that periods of interruption
22 during which customers must bear their own cost should also be
23 pooled. Thus, AGAS would begin to bear costs of interruption only
24 when interruptions were so extensive as to match the equivalent of
25 10 hours per month for all customers, accumulating if unused over
26 a 12-month period, to a maximum of 120 hours for all customers.

27 It is unlikely, however, that interruptions will occur
28 to all customers at once. Furthermore, AGAS could conceivably
29 decide that it is unnecessary to fully interrupt a particular
30 customer. In such instances, the duration of interruption should
31 be prorated based on the degree of interruption. Therefore,
32

1 interruptions should be translated into equivalent hours of inter-
2 ruption, i.e., the proportion of curtailed fuel in BTU's to the
3 total that could at a maximum be curtailed, multiplied by the
4 period of curtailment.

5 In order to accomplish this allocation of costs between
6 AGAS and its interruptible customers, the Commission believes that
7 all customers should maintain reports for each curtailment period,
8 detailing the following information:

- 9 1. Time and duration of each interruption in gas
10 service;
- 11 2. Total BTU's utilized from gas and from alternate
12 fuel sources during the time in which any single
13 customer is interrupted; and
- 14 3. Additional costs incurred for each interruption.

15 At the end of each interruption period, the actual BTU's
16 of alternate fuel used, divided by total BTU's for all customers
17 from all interruptible sources, represents the degree of curtail-
18 ment experienced. This ratio, multiplied by the length of inter-
19 ruption, gives equivalent hours of interruption. These equivalent
20 hours should then be totalled to determine the point at which
21 AGAS's customers become liable for the costs incurred during
22 curtailment, i.e., when equivalent hours exceed the total of 120
23 hours less the equivalent hours of interruption in the last 12
24 months. The Commission believes that this method allows pooling
25 of interruption periods while remaining within the limits intended
26 by the contracts.

27 Two examples of the computation of equivalent hours are
28 given in Exhibit 1. (The usages and costs given are purely hypo-
29 thetical and are not intended to represent an actual situation.)
30 If it were assumed that in each case AGAS became liable for a
31 portion of costs after 40 equivalent hours of interruption, as in
32 Example A, AGAS would not share in the costs of interruption.
However, in Example B, equivalent hours are in excess of 40.

1 Therefore, AGAS would be liable for 3.2 hours of costs, or
2 $3.2/43.2 \times \$930,000 = \$68,889$.

3 The information used to determine equivalent hours
4 should also be used to develop a repayment matrix to determine
5 which parties' costs are reimbursed, by whom, and by how much. It
6 is the Commission's opinion that each customer should assume costs
7 in the same proportion that its consumption (in BTU's) of fuel
8 during the interruption bears to the combined consumption of all
9 interruptible customers. Thus, in Example A illustrated above,
10 ML&P should bear 20/68ths of total costs of \$205,000, or \$60,294.
11 ML&P would pay the Military $20/68 \times \$180,000$, and would repay CEA
12 for $20/68 \times \$25,000$. (Note: For this illustration, payments to
13 Elmendorf and Fort Richardson are combined.) This same logic
14 would be applied for each customer, and an example of the repay-
15 ment matrix is shown at Exhibit 2.

16 The identical logic applies for Example B, except that
17 an additional factor must be included because AGAS also bears a
18 portion of costs. To use ML&P again as an example, ML&P has used
19 70/250ths of total consumption. However, of the total cost of
20 \$930,000, AGAS has assumed 3.2/43.2, so the interruptible custom-
21 ers must assume only $40/43.2 \times \$930,000$. Thus, ML&P must assume
22 $70/250 \times 40/43.2 \times \$930,000$, or \$241,111. A complete repayment
23 matrix is also shown in Exhibit 3.

24 As to the question of precisely which additional incre-
25 mental costs of alternative fuel usage should be included in this
26 computation, the Commission finds that such costs should include
27 all startup or shutdown expenses, including labor. Fuel costs
28 should be factored on a BTU basis, and replacement fuel cost may
29
30
31
32

1 be utilized.⁶ The Commission notes, however, that if the replace-
2 ment cost of fuel is utilized for cost recovery, it must also be
3 utilized in the accounting records of the utility.

4 The Commission further finds that no party should be
5 permitted to recover more than actual costs. (For this reason,
6 the Military's artful proposal to "split the difference" between
7 the cost of coal and oil was determined inappropriate at best.)

8 While the parties may discover "additional costs" as
9 interruptions occur, there was insufficient information provided
10 on the record which would allow the Commission to precisely iden-
11 tify each projected expense. For this reason, the parties to this
12 proceeding should individually determine their incremental costs,
13 subject to audit by one another. Should insoluble differences
14 arise, the Commission will review the dispute and render a deci-
15 sion.

16 Recovery of Interruption Expenses

17 The Commission anticipates that any interruptions which
18 occur this winter will result in increased costs to ML&P, CEA, and
19 the Military, and possibly to AGAS, which were not contemplated
20 when permanent rates were established. While some of the utili-
21 ties have a cost flowthrough mechanism in their tariffs, none of
22 the tariffs provide for the flowthrough of interruption costs and,
23 therefore, cannot in their present form be used to recover such
24 costs from customers. For this reason, the Commission finds it
25 reasonable and equitable that each utility's proportionate share
26 of the costs of interruption be flowed through by revised tariff
27 provisions.
28

29 _____
30 ⁶The Commission disagrees with the AGAS proposal to allow
31 only the "actual historical weighted average cost f.o.b." of a
32 plant tankage of oil or a power plant of coal because historical
costs are not fully reflective of the true curtailment costs of
the interruptible customers.

1 While the Commission believes that a tariff flowthrough
2 provision for interruption costs is the most appropriate account-
3 ing treatment, the Commission will reserve judgment on any
4 different proposal by the parties to effect recovery of these
5 costs from consumers. However, any request by a regulated utility
6 for modification of base rates, amortization, or flowthrough
7 tariff provisions must be filed, noticed to the public and exam-
8 ined by Staff and Commissioners before the Commission will rule.

9 THE COMMISSION FURTHER FINDS AND CONCLUDES:

10 1. For the reasons more fully articulated in the body
11 of this Order, it would be in the public interest for AGAS to
12 follow the schedule of interruptions, attached hereto as Appendix
13 A, which has been approved by the Commission as an interim,
14 short-term plan for addressing natural gas interruptions during
15 the 1981-82 heating season.

16 2. Given the factual circumstances existing at the
17 inception of this proceeding regarding the royalty gas contractual
18 dispute between AGAS and the State of Alaska, AGAS should not be
19 required to purchase royalty gas at any price.

20 3. Any royalty gas eventually purchased under the
21 disputed contract should be flowed through to all AGAS customers
22 in accordance with the terms and conditions of the AGAS tariff.

23 4. AGAS should vigorously pursue resolution of the
24 royalty gas dispute, seek other long-term sources of gas supply,
25 and develop conservation plans for use during peak demand periods.
26 These issues will be considered in greater detail in the AGAS rate
27 relief proceeding currently before the Commission in Docket
28 U-81-101.

29 5. Given the lack of a cost-of-service study or analy-
30 sis of the gas supply situation in the Anchorage Bowl, the param-
31 eters of the existing AGAS tariff, together with the historical
32

ALASKA PUBLIC UTILITIES COMMISSION
1100 MacKay Building - 338 Denali Street
Anchorage, Alaska 99501
Phone 276-6222

1 addressed in detail in Docket U-81-101, the request for interim
2 and permanent rate relief and rate redesign filed by Alaska Gas &
3 Service Company.

4 DATED AND EFFECTIVE at Anchorage, Alaska, this 11th day of
5 February, 1982.

6 BY DIRECTION OF THE COMMISSION
7 (Commissioners Carolyn S. Guess, Chairman,
8 and Susan M. Knowles, not participating.)
9

10 (S E A L)



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ALASKA PUBLIC UTILITIES COMMISSION
1100 MacKay Building - 336 Denali Street
Anchorage, Alaska 99501
Phone 276-6222

SCHEDULE FOR PLANNED INTERRUPTIONS
DOCKET U-81-82

As demand on AGAS system approaches the supply AGAS can deliver, the parties agree to implement "economic dispatch" of the various gas-burning units to minimize their cumulative demand for gas to the limit of good operating practice. Thereafter, when additional reduction of gas demand is necessary, Elmendorf power plant normally will be interrupted first and if prolonged interruption appears to be imminent, Fort Richardson power plant would be interrupted next, with gas being restored to Elmendorf if practical. Thereafter, if more interruption is needed after Fort Richardson is on coal, then Elmendorf and Chugach Bernice (or International) would be next, probably in similar degree. After Elmendorf and Bernice (or International) are on oil, the next would be ML&P Plant 1 and Chugach International, again probably in similar degree.

When more interruptions still are needed, then ML&P Plant 2 would be interrupted. Chugach Knik Arm plant would be the last power plant to be interrupted, because its coal-firing capability is questionable.

Restorations of gas would be made in the reverse order given above.

Generally speaking, Fort Richardson would be interrupted to the greatest extent (but not most frequently) because its standby (coal) is the lowest cost and best supply. Bernice would be next because it is closest to the oil supply (Chevron/Tesoro refineries).

ML&P Plant 1 and Chugach International would be next because of accessibility of oil and ease or difficulty of conversion to oil, and ML&P Plant 2 and Chugach Knik Arm would be last, and least, to be interrupted.

Wherever practical, AGAS would hope to give a reasonable notice to schedule interruptions, possibly a full day. However,

in actual operation decisions may have to be made hour-by-hour, and changes of plans may become necessary as a result of sudden changes or weather, or of the gas supply or because of unexpected experience at any of the power plants.

NATURAL GAS INTERRUPTION COST ALLOCATION FORMULA

DOCKET U-81-82

COMPUTATION OF EQUIVALENT HOURS

EXAMPLE A

	<u>Hours of Interruption</u>	<u>Total BTU Usage During Interruption</u>	<u>BTU Usage of Alternate Fuel</u>	<u>Costs of Interruption</u>
Military:				
Ft. Richardson	24 hours	20,000	20,000	\$100,000
Elmendorf AFB	10 hours	20,000	10,000	80,000
Chugach	4 hours	8,000	2,000	25,000
ML&P	0 hours	<u>20,000</u>	<u>-0-</u>	<u>-0-</u>
TOTAL		<u>68,000</u>	<u>32,000</u>	<u>\$205,000</u>

Equivalent hours = $32,000/68,000 \times 24 \text{ hours} = \underline{11.3 \text{ hours}}$

EXAMPLE B

Military:				
Ft. Richardson	80 hours	70,000	70,000	\$350,000
Elmendorf AFB	60 hours	70,000	50,000	400,000
Chugach	20 hours	40,000	15,000	180,000
ML&P	0 hours	<u>70,000</u>	<u>-0-</u>	<u>-0-</u>
TOTAL		<u>250,000</u>	<u>135,000</u>	<u>\$930,000</u>

Equivalent hours = $135,000/250,000 \times 80 \text{ hours} = \underline{43.2 \text{ hours}}$

NATURAL GAS INTERRUPTION COST ALLOCATION FORMULA

DOCKET U-81-82

REPAYMENT MATRIX

EXAMPLE A

<u>PAYOR</u>	<u>PAID TO:</u>				<u>TOTAL</u>
	<u>MILITARY</u>	<u>CEA</u>	<u>ML&P</u>		
AGAS	\$ -	\$ -	\$ -	\$ -	\$ -
Military	-	(1) 14,706	-	-	14,706
CEA	(2) 21,176	-	-	-	21,176
ML&P	(3) <u>52,941</u>	(4) <u>7,353</u>	-	-	<u>60,294</u>
	<u>\$74,117</u>	<u>\$22,059</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$96,176</u>

TOTAL COST

AGAS	\$ -
Military (\$180,000 + 14,706 - 74,117)	120,589
CEA (\$ 25,000 + 21,176 - 22,059)	24,117
ML&P	<u>60,294</u>
	<u>\$205,000</u>

- (1) $40/68 \times \$25,000$
(2) $8/68 \times \$180,000$
(3) $20/68 \times \$180,000$
(4) $20/68 \times \$ 25,000$

NATURAL GAS INTERRUPTION COST ALLOCATION FORMULA

DOCKET U-81-82

REPAYMENT MATRIX

EXAMPLE B

<u>PAYOR</u>		<u>PAID TO:</u>			
		<u>MILITARY</u>	<u>CEA</u>	<u>ML&P</u>	<u>TOTAL</u>
AGAS	(1)	\$ 55,556	(2) \$ 13,333	\$ -	\$ 68,889
Military		-	(3) 93,333	-	93,333
CEA	(4)	111,111	-	-	111,111
	(5)	<u>\$ 194,444</u>	(6) <u>46,667</u>	<u>-</u>	<u>\$ 241,111</u>
		<u>\$ 361,111</u>	<u>\$ 153,333</u>	<u>\$ -</u>	<u>\$ 514,444</u>

TOTAL COST

AGAS	\$ 68,889
Military (\$750,000 + 93,333 - 361,111)	482,222
CEA (\$180,000 + 111,111 - 153,333)	137,778
ML&P	<u>241,111</u>
	<u>\$930,000</u>

- (1) $3.2/43.2 \times \$750,000$
(2) $3.2/43.2 \times \$180,000$
(3) $40/43.2 \times 140/250 \times \$180,000$
(4) $40/43.2 \times 40/250 \times \$750,000$
(5) $40/43.2 \times 70/250 \times \$750,000$
(6) $40/43.2 \times 70/250 \times \$130,000$



Speaker of the House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-3720

Official Business

TO: Representative Ramona Barnes, Chair
Judiciary Committee

FROM: Speaker Joe Hayes *Joe Hayes*

DATE: February 10, 1982

RE: Confirmation of Governor's Appointments

The following names have been submitted by the Governor for confirmation. Please evaluate the nominees and conduct confirmation hearings as you deem necessary. Please submit your recommendations for action on the nominations by the House of Representatives as soon as possible.

Alaska Public Utilities Commission

*Carolyn Guess, Anchorage, term expiring 10/31/87
*Susan Knowles, Anchorage, term expiring 10/31/87
Diana Snowden, Anchorage, term expiring 10/31/86

A
AP

ALASKA CONSUMER ADVOCACY PROGRAM

P.O. Box 1093

Anchorage, Alaska 99510

272-6355

82-187

DAN
MOTLEY

January 22, 1982

Mr. Brian Rogers
Pouch V
Juneau, Alaska 99811

Dear Brian:

As we discussed on January 20, ACAP is quite concerned that three APUC Commissioners (Guess, Knowles and Snowden) have yet to be confirmed by the legislature. Further, we question whether or not Commissioners Guess and Knowles, the consumer representatives, have fulfilled their roles as intended by the legislature.

Because of these concerns we suggest that the following questions be raised during the confirmation hearings of Commissioners Guess and Knowles.

1. For the last five years you have served as the first consumer representatives on the APUC. Please define your role on the Commission; how does it differ, if at all, from the other members of the Commission; what, if any, goals did you set for yourself and how do you evaluate your achievements in the area of consumer representation?
2. What steps have you taken since your appointment to improve consumer involvement in APUC proceedings?

Follow-up questions:

- a. Do you feel that consumers have an important role in APUC proceedings and in decision-making by the Commissioners? Is this an informed role?
- b. Have you held meetings with any consumer groups or representatives?
- c. Have you initiated and held any public workshops regarding consumer participation before the APUC?

Answer: To our knowledge neither Knowles or Guess has made any attempt to improve communications with the consumer.

3. Describe the present consumer education or outreach program employed by the APUC?

Answer: No program is in existence. The consumer division only responds to questions asked by individual consumers.

4. What brochures or plans for consumer publications now exist?

Answer: No brochures or publications exists.

5. What procedure has been adopted to insure public notification of rate cases and testimony at public hearings?

Follow-up question.

- a. Are the individuals with letters on file notified that a matter regarding their utility is pending before the APUC?
- b. Have you advertised for public input beyond the formal notice published in newspapers?

Answer: Notification is advertised under the legal or public notice section of the newspapers only.

6. What is the role of the consumer division of the APUC? How many personnel are presently assigned to the consumer division? What, if any, plans do you have to expand this division?

Answer: Two people are assigned to this division. Commissioner Guess told us that that division has low priority for expansion and additional funding from the APUC budget.

7. What procedure has been adopted to insure consumer input into Staff's representation of the "public interest?"

Follow-up questions:

- a. How do you define "public interest?"
- b. Does "public interest" differ from consumer interest? If so, how does Staff determine what the consumer interest is? Do you encourage Staff to work with consumers? Have Staff's recent recommendations on rate design and revenue requirements been based on any consumer input?
- c. What role does the consumer division play in the tariff meetings? What weight is given their recommendations?

Answer: No organized effort has been made by the APUC to incorporate consumer concerns into the rate-making procedure. Recent Staff proposals have been jeered by consumers.

8. What recommendations do you have for the future of consumer representation and advocacy?

Follow-up questions.

- a. Would you advocate legislation in this area? If no: Do you really believe that the consumers feel adequately represented by Staff?
- b. Would you encourage increasing the personnel in the APUC consumer division?
- c. Would you work with consumers to design a public education program?

Answer: Chairman Guess indicated to ACAP that this area has low priority.

We would appreciate the hearings being held prior to February 28, 1982, as this is the date ACAP goes out of existence. If that is not possible please contact the following consumers so they may be present at the hearings.

ANCHORAGE

Kay Paddon, Chairman
P. O. Box 41143
Anchorage, AK 99509
272-4777

Charles Evans
605 West 2nd
Anchorage, AK 99501
278-4691

MAT-VALLEY

Tamie Miller, Chairman
P. O. Box 151
376-5636 (home)/276-8033 (work)

Harvey Bowers
P. O. Box 1069
Wasilla, AK 99687

KENAI

Tom Atkinson, Chairman
P. O. Box 282
Kenai, AK 99611

Patricia Wheller
P. O. Box 3357
Kenai, AK 99611

KODIAK

Lorna Arndt, Chairman
P. O. Box 2069
Kodiak, AK 99615
486-6486

Walter E. Wheeler
P. O. Box 1934
Kodiak, AK 99615
486-4600

FAIRBANKS

Karen Eddy, Chairman
314 Iditarod
Fairbanks, AK 99701
452-6060

Jeff Weltzin
218 Driveway Street
Fairbanks, AK 99701
479-3005

JUNEAU

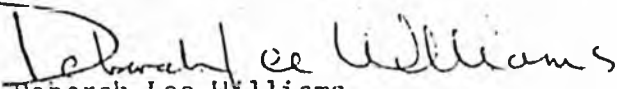
Daniel J. Motley, Chairman
9951 Sprucewood Ct., #35
Juneau, AK 99801
789-3603 (home)/465-2240 (work)

Kenneth King
P. O. Box 272
Auke Bay, AK 99821
789-2239 (home) 364-2121, Ext. 114 (work)

Thank you for your interest and support in this endeavor.

Sincerely,

ALASKA CONSUMER ADVOCACY PROGRAM


Deborah Lee Williams
Director

DLW/ijm

cc: Nancy Ford



Superior Court
State of Alaska

THIRD JUDICIAL DISTRICT
303 K STREET -
ANCHORAGE, ALASKA
99501

Chambers of
VICTOR D. CARLSON, Judge

April 2, 1982

The Honorable Ramona Barnes
Chairman, Judiciary Committee
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Re: Susan Knowles

Dear Madame Chairman:

This letter is written in support of Mrs. Knowles' confirmation to continue as a member of the Alaska Public Utilities Commission.

Having had the opportunity to review the transcript of several hearings in which Commissioner Knowles has participated, I want to share my belief that she is thorough, fair, and patient with all parties and witnesses and that her decisions are carefully reasoned. She, like Mrs. Guess, brings to the commission an understanding of the problems in rural Alaska together with those of the urban centers. From my experience she has fulfilled the duties of a public utilities commissioner in an exemplary manner.

Thanking you for considering this letter, I am

Very truly yours,

Victor D. Carlson
Superior Court Judge

VDC:rw

STATE OF ALASKA

ALASKA PUBLIC UTILITIES COMMISSION
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

JAY S. HAMMOND, Governor

1100 MacKay Building
338 Denali Street
Anchorage, Alaska 99501

Phone (907) 276-6222

March 25, 1982

Kay Paddon
Chairman
Anchorage Consumer Advocacy
Committee
Box 1093
Anchorage, Alaska 99510

Dear Kay:

Thank you for your letter of February 9, 1982, which recaps the meeting held by teleconference between representatives of ACAP, the Consumer Advocacy Committees throughout the State and members of the Commission. The communication and dialogue between the Commissioners and members of the CAC's over the last four to six weeks has been fruitful and will provide ideas and opportunities for continuing meaningful consumer input into the regulatory process.

As I indicated, the Commission intends to respond to those items that were raised during the teleconference and believes the list of concerns in your February 9, 1982, letter is an appropriate place to begin.

Consumer Communication

The Commission is committed to provide opportunity for consumers throughout Alaska to seek assistance and information from the Commission, and to this end, believes that a toll free Zenith phone number is preferable to accepting collect phone calls. The Commission is, at this time, actively pursuing the acquisition of a Zenith phone line. As I am sure you are aware, budget considerations are a part of the reality with which the Commission must live; therefore, I would not expect the establishment of a Zenith number until the Commission receives favorable approval of its FY 1983 budget requests.

We concur that, if the Commission is successful in acquiring a Zenith phone number, this information should be communicated to all consumers of regulated utilities. It would be our intent to place the Zenith number in the phone directories outside the Anchorage dialing area.

At the present time, the Commission's two-member Consumer Protection and Information Section spends approximately 70 percent of its time on the phone, either talking with consumers or attempting to informally resolve their problems and complaints with regulated utilities! The addition of a Zenith number will undoubtedly increase the time these two Staff members spend on the phone. You should be aware that, as a result, other important work of the section could be delayed or in some instances, eliminated. Notwithstanding this possible adverse effect, the Commission shares ACAP's belief that the institution of a Zenith number as a vehicle for consumer input should be a priority.

Community Hearings

ACAP's suggestion that the Commission hold meetings in the affected communities prior to the development of Staff's positions is timely and has been discussed at length by the Commissioners. ACAP makes a valid point that such consumer input may be extremely beneficial in Commission proceedings. The Commissioners believe that this suggestion can be effected in selected cases where consumer interest is intense; the Commission will be discussing possible implementation strategies within the budgetary, personnel and scheduling constraints of the agency. The fact that CAC's will continue to provide a Commission contact in at least five utility service areas certainly will be helpful to this effort.

Consumer Survey

A uniform survey questionnaire to assess quality of service from the consumer prospective is one of our projects for calendar FY 82, as the Commissioners stated at the tele-conference. To minimize budget impact, the Commission is exploring the possibility of the development of a questionnaire by graduate students under direction of faculty at the University of Alaska. In line with the discussion in the previous paragraph, this tool also provides a procedure whereby the Commission Staff can receive consumer input prior to the development of its recommendations.

Public Notice of Filings and Hearing Dates

ACAP's concern, that notice of a utility request which is published in a newspaper's legal advertisements, while satisfying the statutory public notice requirement, may not provide consumers with knowledge of the substance of a utility's request, is well founded. This can result, as it did in Juneau, in lack of consumer awareness that together

with a rate increase, a substantive rate redesign was also included in the utility's request. As noted at the teleconference, the regulatory policy standards established by this Commission now provide that electric and gas utilities must inform their consumers within 30 days of a request to increase its rates or substantially changes its rate design. The Commission is aware, however, that this does not address other regulated utilities and will work to rectify this situation by a proposed revision in the Commission's regulations governing notice to the public of utility tariff filings.

Hearing Location

It is established Commission policy to conduct hearings in the utility's service area in a proceeding where substantial consumer interest has been demonstrated. This is evident by the recent hearings in regard to rate increase and design requests by Matanuska Electric Association, Golden Valley Electric Association and Alaska Electric Light & Power Co. If budgetary constraints or the scheduling of other proceedings preclude the Commission from taking the entire hearing panel to a community, the Commission sends a member of the panel, Staff legal counsel and/or a Staff member with substantive responsibility for Staff's case to listen to the views of the public. To announce the time and place of the hearing, the electronic media is notified by Ray Wipperman; press releases are sent to newspapers and in most instances display ads are placed in the local newspapers.

Commission support of ACAP's efforts

On several occasions during recent months, members of ACAP or its various local CAC's throughout the State have asked that individual Commissioners (and, for that matter, the Commission as a whole) publicly advocate and support continued legislative funding of ACAP's efforts. The Commission has been concerned, as you are undoubtedly aware, that public advocacy of ACAP funding by this agency could result in misunderstanding and possible APUC budget cuts by the Legislature. There are many organized groups and individuals who believe that the Commission is already adequately funded to undertake a fully-developed consumer information and education program. Consequently, it is imperative that such individuals understand that our two member "Consumer Protection and Information Section" already handles an average of 6,500 complaints and requests for assistance each year. This does not consider other important Section functions which include participation in Commission proceedings involving utility rules, regulations, quality of service, and formal consumer complaints; press inquiries and releases on scheduled hearings and Commission orders are also responsibilities of this Section.

making is impermissible under our statute. Our staffing level even further restricts our ability to obtain sufficient consumer input on all issues before this Commission. In spite of these factors, the Commissioners individually and collectively are committed to providing an environment which will assist consumers in presenting their views in the most constructive manner and to the maximum extent possible. ACAP's efforts during the past year have been one exemplary means by which this objective has been furthered. As a result, the Commission acknowledges and sincerely appreciates ACAP's efforts during the past year to provide a vehicle for organized consumer education and input in our proceedings that heretofore has frequently been absent. Consumers have been educated by ACAP regarding the procedures peculiar to the complexities of the quasi-judicial regulatory and rate-making process, not only through meetings in various communities, but also through the extensive consumer information pamphlet recently published entitled, "What You Can Do About Your Utility's Rates and Services." Thus, in the majority of instances, consumers have been able to provide more meaningful and constructive suggestions, opinions and facts on matters before the Commission. It is certainly acknowledged that with our existing backlog of over 225 open docket cases, other workload, and shortage of personnel, the Commission by itself could not have accomplished this highly desirable goal. As several witnesses in recent proceedings have told the Commission, ACAP has provided both a forum and a mechanism whereby customers can organize their views for effective presentation to the Commission.

The Commission also recognizes that one of the most significant, but perhaps least recognized contributions of a funded versus volunteer program, is that it provides the financial resources necessary for formal intervention in a proceeding. Few individual consumers have the technical or legal knowledge to intervene in a case, but even assuming this expertise, still fewer consumers possess the personal financial resources necessary, since our statute imposes the potential liability of proportionate hearing costs.

The Commission recognizes and supports the positive contributions to the regulatory process which can be made by an organized, funded consumer advocacy group and will respond accordingly to legislative inquiries. A responsible consumer advocacy group would be a welcome complement to the work being done by the Commission's dedicated, competent Staff.

The Role of the APUC Staff

Attached you will find a memorandum from the Staff of the Commission as a result of a series of meetings held by the section chiefs to discuss their communication and involvement with consumers as an integral part of their responsibilities in the regulatory process.


Additional Items of Interest

You will be pleased to learn that the Commission has been successful in recruiting a power engineer to fill its current vacancy. Mr. Rudolph Bertschi, formerly with the Office of the Illinois Consumer Counsel, will join the Commission Staff on April 1, 1982.

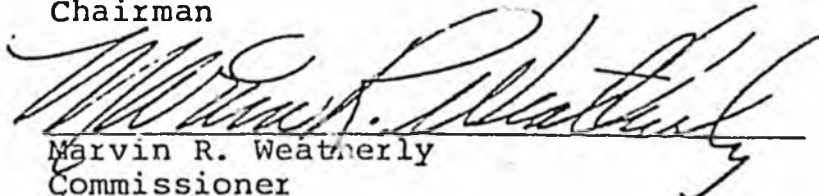
The Commission plans to include the CAC representatives on its mailing list of Public Notices of Tariff Filings and its Weekly List of Orders Issued. Because the CAC's will be operating without any funding, the normal Commission fees associated with the distribution of this information will be waived.

Again, our thanks for your time and interest in providing meaningful communication with the Commission.

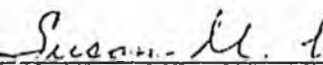
Sincerely,



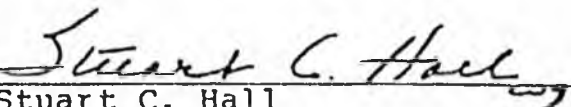
Carolyn S. Guess
Chairman



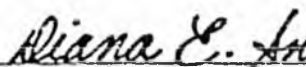
Marvin R. Weatherly
Commissioner



Susan M. Knowles
Commissioner



Stuart C. Hall
Commissioner



Diana E. Snowden
Commissioner

STAFF POLICY ON ASSISTANCE TO CONSUMERS

It is the policy of the Staff that this agency is to be open and responsive to interests of consumers. The agency will answer questions or complaints of consumers as personnel are available and will receive information from consumers concerning utility practices, service, and tariff filings.

The Staff represents the broad public interest. This means that in its recommendations to the Commission, the Staff takes into consideration the interests of all classes of customers. This interest includes the long term viability of the utility to assure that customers continue to be served at reasonable rates. Staff will take into consideration suggestions from any interested person in pursuing its investigations. Its final recommendation will reflect a balanced point of view.

The Consumer Protection Section of the Commission is primarily responsible for resolving consumer complaints about utility services, answering consumer questions about Commission procedure, dockets, or tariff advice filings, soliciting and examining consumer comments in conjunction with any formal proceeding, and reviewing tariff filings for matters of consumer concern. Where appropriate, consumer questions or comments will be fielded to the staff member assigned to a particular matter. Generally, these Staff responses will be relayed to the consumer through the Consumer Protection Section. Arrangements will be made for any Staff's direct involvement in an information response when prudent handling of the matter so requires and within the time limitations imposed by that Staff member's primary responsibilities.

The Tariff Section of the Commission is primarily responsible for soliciting consumer comments concerning tariff advice filings, and for answering consumer questions about tariff matters. Consumer comments concerning tariff advice filings will be examined by the Staff individuals responsible for preparing the Staff recommendation to the Commission.

The Finance Section will assist consumers in finding information contained in utility annual reports to the Commission.

ON-GOING QUALITY OF SERVICE REVIEW

It is the policy of the Staff that this agency should monitor the quality of service provided by utilities on an on-going basis. Periodically, the Staff will seek consumer comments on the quality of service provided by their serving utilities. This may be accomplished by any method appropriate in the particular case, including publication of an advertisement, or other notice inviting comment; mailing out a bill insert, letter, or questionnaire; or conducting on-site visits and inspections. The Staff will monitor the performance of utility equipment by use of

appropriate test equipment. The Staff will advise any utilities whose service the Staff does not believe to be of adequate quality of specific problems. Where possible, Staff will assist utilities in taking action to improve service. Where Staff cannot resolve such problems informally, and the utility is not taking sufficient steps to remedy serious service problems, Staff will report its findings to the Commission, and if necessary, file a formal complaint against the utility.

CONSUMER INPUT ON RATE CASES

It is the policy of Staff that this agency should also seek consumer comments on quality of service during a rate case. This may be accomplished by publication of an advertisement or other notice inviting comment; mailing out a bill insert, letter, press release, or questionnaire; or conducting on-site visits and inspections. These comments should be sought prior to the Staff audit of the utility operations. The Executive Director, attorney, accountant and engineer (where applicable) assigned to the case, with input from the Consumer Protection Section, will decide whether quality of service should be at issue in the rate case.

Where appropriate, the Consumer Protection Section and/or attorney with assistance from other Staff members as needed will follow-up on comments received by conducting a public meeting on-site.

The results of the quality of service investigation, whatever it may be, will be reflected in the testimony of the engineer.

Also, the accountant will investigate and consider within the time frame of the audit any reasonable adjustment proposed by a consumer.

CONSUMER REQUESTS FOR INFORMATION

If a member of the public contacts the Staff to request information about a utility which is not available in the Commission's public records, that request may be granted or denied upon a consideration of the following:

- a) Whether the Staff or the utility has an expectation that the requested information is not public under 3 AAC 48.050(a) or 3 AAC 48.040.
- b) Whether the person requesting the information has the ability or resources to obtain it from another source such as the utility or an independent hired expert.
- c) Whether obtaining the information requires unavailable Staff time.

- d) Whether the information requested may have a significant effect on issues in a docket.
- e) Whether a requested investigation is predicated on information from a reliable source.
- f) Whether the requested information should be released only on order of the Commission.

COMMISSION ACTION	
Referred to	
Checked	
Approved	
WPS	
WPS	

28
 59 6/4/81
 51 6-4-81
 6-5-81

STAFF ACTION		
ACTION	INITIALS	DATE
Dealt by		6/3
Typed by		
Checked by		
Approved by	JBF	

June 2, 1981

Mr. L.J. Schultz, General Manager
 Chugach Electric Association, Inc.
 P.O. Box 3518
 Anchorage, AK 99501

Dear Mr. Schultz:

Re Cost Differential

According to Rule 8.12 d.(2) of Chugach Electric Association, Inc.'s (CEA), filed and currently effective tariff the utility is required to develop annually the construction cost differential between underground and overhead facilities on a per-lineal foot basis to be used during the construction season commencing on March 1, of each year. This differential together with supporting data is to be submitted to the Commission not less than sixty days prior to the March 1, effective date.

A review of the Commission's files indicates that we have not as yet received the required filing for the current construction season, nor have we received the required information for the years 1979 and 1980.

Therefore, please submit the filing required by CEA's Tariff Rule 8.12.d.(2) for the years 1979, 1980 and 1981 by no later than 4:00 p.m., June 17, 1981.

BY DIRECTION OF THE COMMISSION

Very truly yours,
 ALASKA PUBLIC UTILITIES COMMISSION

John B. Farleigh
 Executive Director

STAFF ACTION		
ACTION	FILE	DATE
Drafted by	K. J. ...	
Typed by		7-1
Checked by	D. B. M. 7-1	
Approved by	J. S. ...	7-1

OK *MPW* 7/1/81
 oik *Woy* 7/3/81
 on *SK* 7-6-81
 ju *S*

Center

STATE OF ALASKA
PUBLIC UTILITIES COMMISSION

~~Before Commissioners:~~

Before Commissioners:

JST

Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall

JN ✓

In the Matter of the Filing of a)
 Tariff Revision, Designated as)
 TA18-8, by CHUGACH ELECTRIC ASSOCIA-)
 TION, INC., to Revise Schedule No. 59,)
 Underground Line Extension Differen-)
 tial)

U-78-48 ✓ *SM*
 ORDER NO. 2

ORDER CLOSING DOCKET

On April 6, 1978, CHUGACH ELECTRIC ASSOCIATION, INC. (CEA), filed a tariff revision, designated at TA18-8, to modify its underground line extension differential rate. CEA proposed to reduce the rate from \$7.00 per linear foot of primary facility to \$5.00 per linear foot of primary facility. CEA contended that the filing was being made and the differential cost determined pursuant to rule 8.12d(2) of its currently effective tariff.

On April 25, 1978, the Commission's Staff (Staff) presented its initial recommendation to the Commission regarding the disposition of the tariff filing. Staff recommended that the filing should become effective at end of the 45-day statutory notice period on 5/22/78. The basis of that recommendation was that the cost information submitted with the filing justified the differential and the filing was a reduction in rate for underground extensions. The Commission did not concur with Staff's recommendation.

OK MRP 8/11/81
OK 69 8-11-81
on SL 8-11-81

STAFF ACTION		
ACTION	BY	DATE
Drafted	MRP	8/11/81

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

[Handwritten signature]

Before Commissioners:

Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall

[Handwritten initials]

In the Matter of the Filing of a
Tariff Revision, Designated as
TA22-8, by CHUGACH ELECTRIC ASSO-
CIATION, INC., for an Interim and
Permanent Rate Increase

U-81-
ORDER NO. 1

[Handwritten note]

[Handwritten initials]

In the Matter of the Consideration
and Determination of Implementation
of the Ratemaking Standards and
Lifeline Rates in the Public
Utility Regulatory Policies Act of
1978 for CHUGACH ELECTRIC ASSOCIA-
TION, INC.

U-80-92
ORDER NO. 2

[Handwritten initials]

[Handwritten initials]

In the Matter of the Investigation
of CHUGACH ELECTRIC ASSOCIATION,
INC.'s Wholesale Power Billing
Practices

U-81-20
ORDER NO. 2

[Handwritten initials]

[Handwritten initials]

In the Matter of the Investigation
into the Management Practices and
Procedures of CHUGACH ELECTRIC
ASSOCIATION, INC.

U-81-53
ORDER NO. 1

[Handwritten initials]

ORDER SUSPENDING OPERATION OF TARIFF
REVISION, GRANTING INTERIM RATE INCREASE, AND
REQUIRING MANAGEMENT AUDIT OF UTILITY

On June 26, 1981, CHUGACH ELECTRIC ASSOCIATION,
INC. (CEA), filed a tariff revision, designated as TA22-8,
requesting an interim and permanent rate increase of
25.6 percent to retail electric rates exclusive of security
and street lights. In addition, CEA proposed the elimin-
ation of rate differentials between urban and suburban
classes by raising urban rates to the suburban level and
then applying a percentage increase to rates of both classes.
This results in a higher percentage increase in the bills of
urban customers than in the bills of suburban customers.

[Handwritten notes and signatures at bottom left]

COMMISSION - CTR		
OK	MRW	9/9/81
OK	WJ	9/17/81
OK	SM	9/22/81
OK	SA	9/21/81
OK	SA	9/21/81

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by		
Typed by		9-4
Checked by	JAM	9/4
Approved by	JMS	

Sully

Mr. L. J. Schultz
 General Manager
 Chugach Electric Association
 P. O. Box 3518
 Anchorage, Alaska 99501

Dear Mr. Schultz:

The Commission is seriously concerned about the lack of information available to the public regarding the widespread and prolonged service outage experienced by Chugach Electric Association, Inc. (CEA), on Sunday, August 9, 1981. The Commission also lacks adequate information to ^{understand} ~~explain~~ the circumstances which resulted in the duration of the power outage.

In the past, the Commission has raised such questions with CEA on an informal basis. It is now appropriate to require a formal reply. Specifically, the Commission ^{desires} ~~desires~~ a written response to the following questions:

- 1) What is CEA's procedure ^{of} for notifying the public via the media ~~for~~ an outage and the expected time for restoration of service?
- 2) Does CEA intend to install a "hotline" to resolve the problem of an overloaded telephone system which occurs during an outage?
- 3) What events led to the prolonged power outage on August 9, 1981, and what actions have been taken or will be taken to ensure that a repeat situation will not occur?

Under AS 42.05.29(a)

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by		
Typed by		
Checked by		
Approved by		

SEARCHED
INDEXED
SERIALIZED
FILED

1 OK MRW 9/11/81 STATE OF ALASKA
 2 O.K. USG 9/11/81
 3 OK THE ALASKA PUBLIC UTILITIES COMMISSION
 4 of OI U-81-52 per phone call
 5 5/11

4 Before Commissioners: Carolyn S. Guess, Chairman
 5 Marvin R. Weatherly
 6 Susan B. Knowles
 7 Stuart C. Hall

FINAL ORDERED BY [Signature]
 U-81-52

7 In the Matter of the Filing of a)
 8 Tariff Revision, Designated as)
 9 TA22-8, by CHUGACH ELECTRIC ASSO-)
 10 CIATION, INC., for an Interim and)
 11 Permanent Rate Increase)

ORDER NO. 2

[Signature]

10 In the Matter of the Investi-)
 11 gation of CHUGACH ELECTRIC)
 12 ASSOCIATION, INC.'s Wholesale)
 13 Power Billing Practices)

U-81-20

ORDER No. 3

[Signature]

14 ORDER GRANTING PARTIAL RECONSIDERATION;
 15 ALLOWING INTERVENTION; AND ESTABLISHING DATES FOR
 16 PUBLIC HEARING AND SUBMISSION OF PRE-FILED TESTIMONY

16 On June 26, 1981, CHUGACH ELECTRIC ASSOCIATION,
 17 INC. (CEA), filed a tariff revision, designated as TA22-8,
 18 requesting an interim and permanent rate increase of 25.6
 19 percent to retail electric rates exclusive of security and
 20 street lights. In addition, CEA proposed the elimination of
 21 rate differentials between urban and suburban classes by
 22 raising urban rates to the suburban level and then applying
 23 a percentage increase to rates of both classes. This resulted
 24 in a higher percentage increase in the bills of urban customers
 25 than in the bills of suburban customers.

26 On August 10, 1981, the Commission issued Order
 27 No. 1 in Docket U-81-52 and Order No. 2 in Docket U-81-20
 28 suspending TA22-8 for an initial six-month period ending
 29 February 10, 1982. The suspension period would allow the
 30 Commission Staff (Staff) time to thoroughly investigate the
 31 reasonableness and propriety of CEA's proposed tariff revision.
 32 The Commission also granted the utility a 16.91 percent

ALASKA PUBLIC UTILITIES COMMISSION
 1100 MacKay Building - 338 Denali Street
 Anchorage, Alaska 99501
 Phone 276-6222

STAFF ACTION		
ACTION	INITIALS	DATE
Directed by	<i>[Signature]</i>	
Typed by	<i>[Signature]</i>	
Checked by		
File No.		

OK 11/11/81 9-14-81
 CIL 039 9-14-81
 ON SW 9-14-81
 BLC 5/15/81

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan B. Knowles
 Stuart C. Hall

[Signature]

In the Matter of the Investi-)
 gation of CHUGACH ELECTRIC) U-81-20
 ASSOCIATION, INC.'s Wholesale)
 Power Billing Practices) ORDER NO. 3

In the Matter of the Filing of a)
 Tariff Revision, Designated as) U-91-52
 TA22-8, by CHUGACH ELECTRIC ASSO-) ORDER NO. 2
 CIATION, INC., for an Interim and)
 Permanent Rate Increase)

ORDER GRANTING PARTIAL RECONSIDERATION;
DENYING INTERVENTION WITHOUT PREJUDICE; AND ESTABLISHING DATES FOR
PUBLIC HEARING AND SUBMISSION OF PRE-FILED TESTIMONY

On June 26, 1981, CHUGACH ELECTRIC ASSOCIATION, INC. (CEA), filed a tariff revision, designated as TA22-8, requesting an interim and permanent rate increase of 25.6 percent to retail electric rates exclusive of security and street lights. In addition, CEA proposed the elimination of rate differentials between urban and suburban classes by raising urban rates to the suburban level and then applying a percentage increase to rates of both classes. This resulted in a higher percentage increase in the bills of urban customers than in the bills of suburban customers.

On August 10, 1981, the Commission issued Order No. 1 in Docket U-81-52 and Order No. 2 in Docket U-81-20 suspending TA22-8 for an initial six-month period ending February 10, 1982. The suspension period would allow the Commission Staff (Staff) time to thoroughly investigate the reasonableness and propriety of CEA's proposed tariff revision. The Commission also granted the utility a 16.91 percent

131
Chugach Electric
Chugach Electric

COMMISSION ACTION

Referred to	OK or NO	Initials	Date
Garbetz			
Weatherly	OK	MAW	9-25-81
Guess	OK	UG	9-25-81
Knowles	OK	SK	9-25-81
Hall	OK	SKH	9-25-81

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Note: This is not an May Card. Draft only.
MED
9/30

Before Commissioners: Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall

In the Matter of the Filing of)
 a Tariff Revision, Designated)
 as TA228, by CHUGACH ELECTRIC)
 ASSOCIATION, INC., for an)
 Interim and Permanent Rate In-)
 crease)

U-81-52
 ORDER NO. 2

debb

Center order title
ORDER GRANTING PETITION TO INTERVENE

On September 14, 1981, the Commissioner issued Order No. 2 in Docket U-81-52 which, among other things, denied without prejudice the Petition to Intervene by the ~~ANCHORAGE CONSUMER ADVISORY COMMITTEE~~, filed by the ALASKA CONSUMER ADVOCACY PROGRAM (ACAP) on September 3, 1981.

On September 16, 1981, ACAP submitted a Revised Petition to Intervene by the Anchorage Consumer Advisory Committee for consideration by the Commission. A ~~STAFF~~ (Staff) response to Second Petition for Intervention was filed on September 22, 1981, ~~opposing~~ *which opposes granting* ACAP's status as an intervenor.

The Commission has examined ACAP's Petition against the standards for ~~for~~ intervention set out in 3 AAC 48.110, particularly subsections (b) and (c) of that section, as well as its policy concerning intervention set out in U-77-16(2), pages 3-4, and has considered the counter-arguments presented by Staff in its response. Based on this analysis, the Commission concludes that the facts and reasons set out in ACAP's Petition for Intervention sufficiently meet the

COMMISSION ACTION			
Referred to	K or NO	Initials	Date
Snowden	OK	CSB	9-29-81
Weatherly	OK	MRW	9/29/81
Guess	OK	CSG	9/29/81
Knowles	OK	SK	STATE 908 ALASKA
Hall		HAL	

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by	Jackson	9/29
Typed by		
Checked by		
Approved by		

BK
 ST
 FINAL CHECKED BY
 OK TO RELEASE

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THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall
 Diana E. Snowden

In the Matter of the Investi-)
 gation of CHUGACH ELECTRIC) U-81-20 *CSB*
 ASSOCIATION, INC.'s Wholesale)
 Power Billing Practices) ORDER NO. 4

In the Matter of the Filing of a)
 Tariff Revision, Designated as) U-81-52 *CSB*
 TA22-8, by CHUGACH ELECTRIC ASSO-)
 CIATION, INC., for an Interim and) ORDER NO. 4
 Permanent Rate Increase)

ORDER AMENDING SCHEDULES FOR
 SUBMISSION OF PRE-FILED TESTIMONY AND
 PUBLIC HEARINGS

On September 14, 1981, the Commission issued Order Nos. 3 and 2 in Dockets U-81-20 and U-81-52, respectively, which, among other things, established the dates for public hearing and submission of pre-filed testimony. CHUGACH ELECTRIC ASSOCIATION, INC. (CEA), was required to file its list of witnesses and written prepared testimony by [redacted] September 30, 1981, and Commission Staff (Staff) was directed to file its witness list and pre-filed testimony by [redacted] October 7, 1981. While Order Nos. 3 and 2 denied intervention to the ALASKA CONSUMER ADVOCACY PROGRAM (ACAP) on behalf of Anchorage Consumer Advisory Committee, ACAP was placed on notice that if it was granted intervenor status in a subsequent order, its witness list and pre-filed testimony would be due October 14, 1981. The public hearing on the revenue requirement portion of CEA's proposed tariff revision was scheduled for October 21, 1981, at 9:00 a.m., in the Commission's offices in Anchorage, Alaska.

Based upon a revised petition to intervene filed [redacted] on September 16, 1981, the Commission in Order No. 3 in

1180 MACKAY BUILDING
 338 DEMALI STREET
 ANCHORAGE, ALASKA 99501
 PHONE 275-4222

COMMISSION ACTION			
Referred to	OK or NO	Initials	Date
Guess		CSG	10-16-81
Weatherly	OK	WWR	10-16-81
Knowles	OK	SKL	10-16-81
Hall	OK	SH	
Snowden		SP	

3rd

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by	CSG	
Typed by		
Checked by		
Approved by	WWR	
.	.	
.	.	

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall
 Diana E. Snowden

FINAL CHECKED BY *SKL* & *SP*
 OK TO RELEASE

In the Matter of the Filing of a)
 Tariff Revision, Designated as)
 TA14-8, by CHUGACH ELECTRIC)
 ASSOCIATION, INC., for a Permanent)
 General Rate Increase)

U-77-68

ORDER NO. 8

SS

ORDER ALLOCATING COSTS
 AND CLOSING DOCKET

On October 13, 1980, the Commission issued Order No. 7 in this proceeding which, among other things, approved TA14-8 and TA14-8(1) filed by CHUGACH ELECTRIC ASSOCIATION, INC. (CEA); required CEA to file revised tariff sheets reflecting the approved rate design and rates; gave notice to CEA that in future cost-of-service studies and rate designs the deficiencies identified therein in its methodology and supporting documentation are to be rectified; and provided that outstanding cost-of-service and rate-design issues in this proceeding would be considered within the context of the Commission's consideration of the applicability of the ratemaking standards in the Public Utility Regulatory Policies Act of 1978 (PURPA) to CEA.

On November 14, 1980, CEA filed revised tariff sheets in compliance with the Commission's order. Subsequently, on December 12, 1980, in an administrative meeting, the Commission approved and made effective CEA's revised tariff sheets reflecting the rate design and rates approved in Order No. 7 thus concluding consideration of the outstanding substantive issues in this proceeding.

COMMISSION ACTION			
Referred to	OK or NO	Initials	Date
Guess	OK	CSG	10/16/81
Weatherly	OK	M.W.	10/20/81
Knowles	—	—	—
Hall	—	—	10/20/81
Snowden	—	NP	—

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by		
Typed by	W.C.	
Checked by		
Approved by		
• •		
• •		

STATE OF ALASKA

2 THE ALASKA PUBLIC UTILITIES COMMISSION

3
4 Before Commissioners: Carolyn S. Guess, Chairman
5 Marvln R. Weatherly
6 Susan M. Knowles
7 Stuart C. Hall
8 Diana E. Snowden

7 In the Matter of the Investi-)
8 gation of CHUGACH ELECTRIC) U-81-20
9 ASSOCIATION, INC.'s Wholesale)
10 Power Billing Practices) ORDER NO. 5

11 In the Matter of the Filing of a)
12 Tariff Revision, Designated as) U-81-52
13 TA22-8, by CHUGACH ELECTRIC ASSO-)
14 CIATION, INC., for an Interim and) ORDER NO. 5
15 Permanent Rate Increase)

14 ORDER GRANTING PETITIONS FOR INTERVENTION, *Relocating Hearing*
15 AND DENYING ADDITIONAL INTERIM RATE INCREASE *WITHOUT*
16 Orders No. 4, issued September 29, 1981, granted an

17 extension of time to CHUGACH ELECTRIC ASSOCIATION, INC. (CEA), in
18 which to designate witnesses from the Rural Electrification Admin-
19 istration (REA) and National Rural Utilities Cooperative Finance
20 Corporation (CFC) and submit their written prepared testimony.
21 The witness list and pre-filed testimony for representatives from
22 agencies were required to be filed by 4:00 p.m., October 14, 1981.
23 In order to allow the Commission Staff (Staff) adequate time in
24 which to address the issues raised in the testimony filed by REA
25 and CFC witnesses, Orders No. 4 extended Staff's filing require-
26 ment deadline to October 23, 1981, and rescheduled the public
27 hearing from October 21 to October 27, 1981.

28 Orders No. 4 also clarified the Commission's intent to
29 hold separate public hearings in these proceedings. A public
30 hearing was scheduled for November 9, 1981, to examine and address
31 CEA's wholesale power billing practices and procedures. Staff was
32 required to address the wholesale power billing practices issue in

1100 MACKAY BUILDING
325 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 275-6222

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sentences re
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of p. 4
SN

STAFF ACTION		
ACTION	BY	DATE
Drafted by	CSB	12/21
Typed by	JKD	12/23
Checked by	SKB	12/23
Approved by	MCP	12/23
"	"	"
"	"	"

Period	Sept	Date
OK	WJ	12/24/81
OK	MCP	12/24/81
OK	SN	12-28-81
OK	WJ	12-30-81

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall
 Diana E. Snowden

ORIGINAL CHECKED BY ST & R.D.
 TO BE RELEASED 1/2/82

RKB

RKB

In the Matter of the Filing of a)
 Tariff Revision, Designated as)
 TA22-8, by CHUGACH ELECTRIC ASSO-)
 CIATION, INC., for an Interim and)
 Permanent Rate Increase)

U-81-52 ✓
 ORDER NO. 7

ORDER AFFIRMING PREVIOUS ORDERS AND DENYING
 RELEASE OF STAFF WORK PAPERS

On November 6, 1981, CHUGACH ELECTRIC ASSOCIATION, INC. (CEA) filed a Request For Clarification of Order And Release of Staff Work-Papers. Specifically, CEA requested a clarification of the following paragraph found on page 4, U-81-52(2)

The Commission has reviewed the utility's petition and Staff's response thereto and is prepared to grant partial reconsideration of Order No. 1. Specifically, the Commission concurs with CEA that the actual, rather than an imputed, TIER requirement should be considered for interim rate-making purposes in the instant case. At the same time, the Commission agrees with Staff that it would be unreasonable to impose full responsibility for all TIER in excess of 1.0 on the retail customers. Accordingly, the Commission will allow the utility an across-the-board interim, refundable increase in all tariffed rates sufficient to yield a TIER of 1.34 on the retail revenue requirement only, i.e. not on the total company revenue requirement. In the absence of a cost of service study, it is difficult for the Commission or its Staff to compute the interim rate increase percentage which results from this decision without making certain arbitrary assumptions. Therefore, if the utility wishes to further increase its interim rates as allowed by this Order before the permanent revenue requirement determination, it will be necessary for CEA to perform the numerical

COMMISSION ACTION			
Referred to	OK or NO	Initials	Date
Guess	cu/cg	by su	2-3-82
	on	su	2-3-82
	ck	das	2-3-82

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by	SMK	
Typed by	DKD	2/3
Checked by	RDM	2/3
Approved by		

2nd draft

FINAL CHECKED BY *DM* ix
 JBS

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall
 Diana E. Snowden

In the Matter of the Filing of a)
 Tariff Revision, Designated as)
 TA22-8, by CHUGACH ELECTRIC)
 ASSOCIATION, INC., for an Interim)
 and Permanent Rate Increase)

U-81-52
 ORDER NO. 8

ORDER GRANTING PETITION TO ENLARGE TIME
 AND ESTABLISHING SCHEDULES FOR SUBMISSION OF PREFILED TESTIMONY
 AND FOR PUBLIC HEARING

On October 22, 1981, CHUGACH ELECTRIC ASSOCIATION, INC. (CEA), filed a Petition for an Order Continuing Hearing and Scheduling Supplemental Filing in this proceeding. By Bench Order issued October 23, 1981, the Commission scheduled a hearing for October 26, 1981, to allow the utility, the Commission Staff (Staff), and the ALASKA CONSUMER ADVOCACY PROGRAM (ACAP) to present oral argument on CEA's petition. At the conclusion of the hearing the Commission issued a Bench Order granting CEA's request for a continuance subject to the following three conditions:

(1) By February 15, 1982, CEA is required to submit a new revenue requirement filing, subject to the requirements of 3 AAC 48.275, with an updated 1981 test year with appropriate adjustments to revenues, expenses and rate base.

(2) CEA is required to pursue the issue of TIER for generation and transmission as mandated in Order No. 2, to continue to request an [sic] REA policy

COMMISSION ACTION			
Referred to	OK or NO	Initials	Date
Guess	OK/SU	for CG	2-5-82
Weatherly	/		
Knowles	SU	SU	2-5-82
Hall			
Snowden	MK	De.C.	2/5/82

COMMISSION ACTION		
ACTION	INITIALS	DATE
Drafted by	SMK	2/5
Typed by	AKD	2/5
Checked by		
Approved by		

FINAL CHECKED BY DL & ST
 OK TO RELEASE [Signature]

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall
 Diana E. Snowden

[Handwritten initials]

In the Matter of the Filing of a)
 Tariff Revision, Designated as)
 TA22-8, by CHUGACH ELECTRIC)
 ASSOCIATION, INC., for an Interim)
 and Permanent Rate Increase)

U-81-52
 Order No. 9 *[Signature]*

ORDER STAYING ORDER NO. 8 PENDING INTERVENOR RESPONSE
AND SCHEDULING SHOW CAUSE HEARING

On February 3, 1982, the Commission issued Order No. 8 in this proceeding which, among other things, granted the request of CHUGACH ELECTRIC ASSOCIATION, INC. (CEA), for an extension of time in which to file its revenue requirement study from February 15, 1982, to March 10, 1982.

On February 4, 1982, intervenor ALASKA CONSUMER ADVOCACY PROGRAM (ACAP) filed a Petition for Reconsideration of Order No. 8. ACAP stated that CEA failed to comply with 3 AAC 48.090(h) which requires that filings in a proceeding be served on all parties of record, and, therefore, the utility's Petition to Enlarge Time in Which to File Application for Rate Relief was "void." According to ACAP, the following actions were necessitated by this deficiency:

◁ The Commission must order Chugach to serve their motion on us and then the Commission must give us the requisite number of days to respond to the motion.

COMMISSION ACTION			
Entered to	OK or NO	Initials	Date
	OK	WJ	2/11/82
		TD	
		SL	2/11/82 by E.S.
		TR	
S. Guess	OK	WES	2/11/82

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by		
Typed by	AKO	
Checked by	RON	2/11
Approved by		
"	"	"
"	"	"

STATE OF ALASKA
 THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall
 Diana E. Snowden

RICB

In the Matter of the Filing of a)
 Tariff Revision, Designated as)
 TA22-8, by CHUGACH ELECTRIC)
 ASSOCIATION, INC., for an)
 Interim and Permanent Rate)
 Increase)

U-81-52
 ORDER NO. 10

ORDER AFFIRMING ORDER NO. 8 AND SUPPLEMENTING SCHEDULE FOR SUBMISSION ~~TITLE~~ OF PRE-FILED TESTIMONY

On February 3, 1982, the Commission issued Order No. 8 in this proceeding granting the request of CHUGACH ELECTRIC ASSOCIATION, INC. (CEA), for an extension of time in which to file its revenue requirement study from February 15, 1982, to March 10, 1982. Order No. 8 also established deadlines for submission of pre-filed testimony by CEA and the Commission Staff (Staff) on March 10 and April 23, 1982, respectively, and scheduled a public hearing on the proposed rate increase to convene on May 5, 1982.

On February 4, 1982, intervenor ALASKA CONSUMER ADVOCACY PROGRAM (ACAP), filed a Petition for Reconsideration requesting cancellation of Order No. 8 pending ACAP receipt of and response to the utility's Petition to Enlarge Time in Which to File Application for Rate Relief. The Commission subsequently issued Order No. 9, dated February 5, 1982, staying the operation of Order

ALASKA PUBLIC UTILITIES COMMISSION
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

1100 MacKay Building
338 Denali Street
Anchorage, Alaska 99501

Phone (907) 276-6222

February 11, 1982

COMMISSION ACTION

Referred to	OK or Not	Initials	Date
	OK	UJ	2/11/82
	OK	MJK	2/11/82
	OK	SL	2-11-82
Snowden,			

Chugach Electric Association
Tom Kolasinski, Acting Manager
P.O. Box 3518
Anchorage, Alaska 99501

Dear Mr. Kolasinski:

The Commission has been advised that the salary information required on page 104 of Chugach Electric Association's (CEA) 1980 Annual Report to the Commission has not been provided. In addition, the Commission has been informally advised by its staff that CEA does not wish to file this information because it feels this action could violate the right to privacy of some of its employees.

CEA is hereby placed on notice that it shall file the required salary information by Friday, February 19, 1982 at 4:00 p.m. If the utility wishes to request that this information be treated as proprietary the following procedure which supplements the Commission's present statute and regulations governing public disclosure of information (AS 42.05.671 and 3 AAC 48.040) should be followed:

PROCEDURE FOR THE TREATMENT OF MATERIAL OF
INFORMATION FOR WHICH PROPRIETARY
OR PRIVILEGED STATUS IS REQUESTED

1. Written Petition for Proprietary or Privileged Status.

1.1. If no written request has been made to designate material or information as proprietary or otherwise privileged, all material and information that is filed with, served upon, or otherwise made available to the Commission shall be available for examination by the public. Any person wishing to protect material or information filed with, served upon or otherwise made available to the Commission shall file with the Commission a formal written petition identifying the material or information sought to be protected and setting forth the facts, reasons, or other grounds upon which the Commission should classify that material or information as proprietary or otherwise privileged.

COMMUNICATIONS SECTION			
Referred to	OK or I.O.	Initials	Date
	OK	MPW	4/3/81
	OK	CS	4/6/81
	OK	SU	4-3-81
	OK	ILG	4/6/81

April 2, 1981

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by	CS	
Typed by		
Checked by	MPW	4/2/81
Approved by	JAF	

45.1.000
4/22/81

In reply refer to: Tariffs
TA132-120

A.C. Pistorius, General Manager
Anchorage Telephone Utility
600 East 38th Avenue
Anchorage, Alaska 99503

Dear Mr. Pistorius:

Enclosed is a validated copy of the tariff sheet filed on February 6, 1981, by Anchorage Telephone Utility. This filing, designated as TA132-120, has an effective date of March 27, 1981.

In consideration of the manner in which the amount of the credit for returning telephone sets was derived, the Commission directs ATU to monitor the appropriateness of the \$5.00 credit amount and be prepared, at the time of a general rate examination, to provide the Commission with evidence as to why the credit should be continued or, as appropriate, modified.

BY DIRECTION OF THE COMMISSION.

Very truly yours,
ALASKA PUBLIC UTILITIES COMMISSION

John B. Farleigh
Executive Director

JBF/ga
Enclosure

Handwritten notes:
Do you
want
to
know
the
reason
for
this?

COMMUNICATIONS ACTION			
Referred to:	OK or I.C.	nt	atn
	OK	MPW	4/3/81
		U.S.	4/6/81
		SU	4-3-81
		LL	4/6/81

ACTION	INITIALS	DATE
Drafted by	J. J. [unclear]	
Checked by	J. J. [unclear]	4/2/81
Approved by	J. J. [unclear]	

April 2, 1981

In reply refer to: Tariffs
TA132-120

45.10.00
4/23/81

A.C. Pistorius, General Manager
Anchorage Telephone Utility
600 East 38th Avenue
Anchorage, Alaska 99503

Dear Mr. Pistorius:

Enclosed is a validated copy of the tariff sheet filed on February 6, 1981, by Anchorage Telephone Utility. This filing, designated as TA132-120, has an effective date of March 27, 1981.

In consideration of the manner in which the amount of the credit for returning telephone sets was derived, the Commission directs ATU to monitor the appropriateness of the \$5.00 credit amount and be prepared, at the time of a general rate examination, to provide the Commission with evidence as to why the credit should be continued or, as appropriate, modified.

BY DIRECTION OF THE COMMISSION.

Very truly yours,
ALASKA PUBLIC UTILITIES COMMISSION

John B. Farleigh
Executive Director

JBF/ga
Enclosure

Handwritten notes:
Do you
want
to
know
the
reason
for
this?

Referred to	OK or	
	0	
Approved	OK MEW 5/26/81	
by	OK	5-26-81

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by		
Typed by		
Checked by	JMW	5/26/81
Approved by	KW	5/27/81
"	"	"
"	"	"

May 26, 1981

OK SCA 5-26-81
 Check EAS study
 deadline 5/26/81
 July 1st

In reply refer to: Tariffs
 TA138-120
 U-80-42
 U-81-19

45 days end 5/26/81.

A.C. Pistorius, General Manager
 Anchorage Telephone Utility
 600 East 38th Avenue
 Anchorage, Alaska 99503

Dear Mr. Pistorius:

The Commission has approved the proposal of Anchorage Telephone Utility (ATU) to cancel its adopted tariff of the Greater Anchorage Borough Telecommunications Company, Inc. (GAB-TEL), and to apply its present Anchorage area tariff to the areas served under the GAB-TEL tariff. This filing has an effective date of May 26, 1981.

should be
 final #

As a part of its consideration of this filing, the Commission observed that the feasibility study on the provision of extended area service (EAS) to the former GAB-TEL area still has not been filed with the Commission. This report was originally anticipated in July, 1980. The Commission understands that ATU is presently analyzing traffic data and expects to complete the study shortly. Therefore, the Commission directs that the EAS feasibility study be filed with the Commission no later than August 1, 1981.

A list of the validated tariff sheets being returned at this time is attached. As the Staff has discussed with ATU, the following procedural matters are still required to complete the application of the Anchorage area tariff to the GAB-TEL area.

Referred to	OK	MRW	5/27/81
	OK	OS	5-27-81
Was	OK	SU	5-27-81
	OK	SM	5-27-81

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by	IW	
Reviewed by	JB	5-15-81
Checked by	IW	5-15
Approved by	B	5-18
	JBT	

Note: This is a second routing of this draft - 1st draft has apparently been lost.

May 15, 1981

Ted Burns, Esq.
 Municipal Attorney
 Municipality of Anchorage
 632 West 6th Avenue
 Anchorage, Alaska 99501

Dear Mr. Burns:

Re: Certification of Garbage and Refuse Public Utilities

The enactment of Ch. 136, SLA 1980 (FCCS SB 577) repealed the language of AS 42.05.221(f) and ^{portions of} AS 42.05.711(b) which exempted garbage and refuse collection and disposal public utilities operating within municipal boundaries (as they existed on January 1, 1973) from having to obtain a certificate of public convenience and necessity for the service area within these boundaries.

The repeal of this language means that all municipal garbage and refuse utilities must possess a certificate of public convenience and necessity for the area it ^{served} ~~it serves~~ AS 42.05.221(a), 42.05.701(2)(F), (5)(A). This is required even though, as a municipal utility, under the remaining language in 42.05.711(b) or under the new 42.05.711(j) (annual gross revenues of \$200,000 or less) they may not be subject to economic regulation by the Commission.

Note: In stating the requirement mentioned above, a municipality may still be exempted from all or any portion of these statutes if, on a Commission finding, it is found that public interest will be served by exempting compliance with AS 42.05.711(d).

COMMISSION

NP

OK

WJ

OK

SM

6-19-81

ML

SM

6/19/81

STAFF		
ACTION		
Drilled	JMW	6/19/81
Reviewed by	SKM	6/19/81
Classified by	JMW	6/19/81
Approved by	JMW	6/19/81
"	"	"
"	"	"

45 days end 7/24; utility

must have advance approval to bill 7/1/81

June 19, 1981

In reply refer to: Tariffs
TA34-121

Thomas R. Stahr, General Manager
Municipal Light & Power Department
~~Municipality of Anchorage d/b/a/~~
1200 East First Avenue
Anchorage, Alaska 99501

Dear Mr. Stahr:

Enclosed are validated copies of tariff sheets filed on June 10, 1981, by Municipal Light and Power (ML&P). This filing, designated as TA34-121, has an effective date of June 1, 1981.

Although the Commission has approved this filing, it is concerned about the continuing lack of generation by the waste heat unit. ML&P is directed to include in its next gas cost rate adjustment filing an explanation of the lack of reported steam generation and ML&P's plans for use of the waste heat unit.

BY DIRECTION OF THE COMMISSION

Very truly yours,

ALASKA PUBLIC UTILITIES COMMISSION

John B. Farleigh
Executive Director

Referred	NP	6/19/81
OK	NP	6/19/81
OK	NP	6/19/81
OK	NP	6/19/81

STAFF ACTION			
AC	N	INITIALS	DATE
Drafted by		JMW	6/19/81
Typed by		SKM	6/19/81
Checked by		JMW	6/19/81
Approved by		JMW	6/19/81

June 19, 1981

45 days
end
7/2/81

In reply refer to: Tariffs
TA146-120

A. C. Pistorius, General Manager
600 East 38th Avenue
Anchorage, Alaska 99503

Dear Mr. Pistorius:

Enclosed is a validated copy of the tariff sheet filed on May 18, 1981, by Anchorage Telephone Utility (ATU). This filing, designated as TA146-120, has an effective date of July 2, 1981.

In its study of this filing, the Commission reviewed a number of previous filings affecting the Secretarial Answering Service Schedule and noted that the large TASCAM answering system, which was the subject of TAs 98-120, TA111-120, and TA115-120, is not presently tariffed. The Commission urges ATU to review its offerings in the Secretarial Answering Service ^{Schedule} to assure that all offerings are properly tariffed.

BY DIRECTION OF THE COMMISSION

Very truly yours,
ALASKA PUBLIC UTILITIES COMMISSION

John B. Farleigh
Executive Director

STAFF	
ACTION	
Drafted by	J. B. [unclear]
Typed by	J. B. [unclear]
Checked by	J. B. [unclear]
Approved by	J. B. [unclear]
	5-11-81
	5/11/81
	5/12

Center files

OK MRP 5/12/81
 OK usg 5/11/81
 OK/NO. sh 5/11/81

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

45 days
 end today

Before Commissioners:

Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall

5/11/81

FINAL CERTIFIED BY
 ON TO RELEASE

[Handwritten signatures]

NOTE: 2

TA files attached

In the Matter of the Filing of)
 Tariff Revisions, Designated as)
 TA135-120 and TA136-120, by)
 ANCHORAGE TELEPHONE UTILITY)
 for Rates for Straight Line)
 Feature Telephones)

U-81-29
 ORDER NO. 1

the municipality
 Anchorage Alaska
[Handwritten initials]

ORDER SUSPENDING TARIFF REVISION AND
 GRANTING INTERIM RATES

On March 25, 1981, ANCHORAGE TELEPHONE UTILITY

(ATU) filed two tariff revisions (TA135-120 and TA136-120) to add a nonrecurring charge of \$17.55 and a monthly rate of \$2.35 for straight line feature telephones (wall and desk models) to the rate schedules for three PBX systems: the Rolm CBX (Class H), Rolm SCBX (Class I), and SL-1 (Class J).

The filings were noticed to the public on April 2, 1981, with a closing date of May 4, 1981, for the submission of statements in support of, or in opposition to, the proposed tariff revisions. On May 4, 1981, the Commission received a protest of the filings from Comtec, Inc. (Comtec), a company engaged in selling, installing, and maintaining telephone equipment, including PBX equipment.

Comtec states that it appears that the straight line feature telephone is a standard push button telephone that can be used in any residential home or with several other PBX systems in ATU's tariff. Comtec's protest includes three specific charges, summarized below.

COMMISSION ACTION			
Referred to	DATE	INITIALS	DATE
Zelbetz			
Weatherly			
Knowles	2/11	6/7	6/1/81
H. W. S.	0/11	SN	6-1-81
3/1	0/11	Jov	6/1/81

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by		
Typed by		6-1
Checked by		
Approved by		
"		
"		

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall

In the Matter of the Filing of a)
 Tariff Revision, Designated as) U-81- 33
 TA139-120, by the MUNICIPALITY OF)
 ANCHORAGE d/b/a ANCHORAGE TELE-) ORDER NO. 1
 PHONE UTILITY To Change the)
 Conditions and Rates for Coin)
 Telephone Service)

ORDER SUSPENDING OPERATION OF TARIFF REVISION,
INSTITUTING INVESTIGATION, ESTABLISHING
DATES FOR PUBLIC HEARING AND SUBMISSION
OF PRE-FILED TESTIMONY

On April 17, 1981, the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE TELEPHONE UTILITY (ATU) filed a tariff revision, designated as TA139-120, which proposed changes to the conditions and rates for coin telephone service. The utility proposed to

- 1) increase the per message rate charges for public and semi-public coin telephone service from \$10¢ to \$20¢ per call;
- 2) increase the minimum monthly revenue required as a basis for continuing service at each location, ~~from two times the regular business line rate (local only) to three times the regular business line rate (local and toll);~~
- 3) increase installation charges for semi-public telephone enclosure/supports;

[Handwritten notes and signatures in the left margin, including "The Commission will not..."]

Referred:

Center

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by		
Typed by	<i>MB</i>	6-15-81
Checked by	<i>MB</i>	6-15-81
Approved in		
"		
"		

612 *new by 6/15/81*
 512 *6/15/81*
 00 *6/15/81*

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall

T.M.

In the Matter of the Filing of
 a Tariff Revision, Designated as
 TA23-126, by the MUNICIPALITY OF
 ANCHORAGE d/b/a ANCHORAGE SEWER
 UTILITY for Consolidation of
 Service Areas and Permanent
 Reduction of Rates

U-81-36
 ORDER NO. 1

SS

In the Matter of the Filing of
 a Tariff Revision, Designated as
 TA20-126, by the MUNICIPALITY OF
 ANCHORAGE d/b/a ANCHORAGE SEWER
 UTILITY for a Rate Increase, in
 the Anchorage, Eagle River, and
 Girdwood-Alyeska Sewer Service
 Areas.

U-80-4
 ORDER NO. 10

SS
Permanent
Additional Rate

ORDER SUSPENDING SERVICE AREA CONSOLIDATION

On May 1, 1981, the MUNICIPALITY OF ANCHORAGE
 d/b/a ^{Anchorage} MUNICIPAL SEWER UTILITY (ASU) filed a tariff revision,
 designated as TA23-126, requesting the immediate permanent
 reduction ^{of} ~~in~~ rates for sewer service in the Eagle River
 Sewer Service Area (ERSSA) and the Girdwood-Alyeska Sewer
 Service Area (GASSA). ASU requested that customers in the
 ERSSA and GASSA be integrated into the appropriate rate
 schedule of the Anchorage Bowl Service Service Area (ABSSA) [?]
 (all that) ERSSA and GASSA rate schedules except for those
 based on meter ^{ed} water consumption be deleted [?] that definitions
 and other tariff references for Service Area 40 (ABSSA) and
 Service Area 50 (ERSSA) be deleted [?] and that a definition be
 added for the Anchorage Sewer Service Area (ASSA) as "that
 area established by Anchorage, Alaska, Ordinance 81-23....".

MHT

COMMISSION ACTION

Referred to	OK or I.O	Initials	Date
Zerbetz			
Weatherl			
683	OK	UG	6/16/81
7 wies	C.L.	SM	6/16/81
31			6/16/81

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by	W.D.	
Typed by	W.D.	5-28
Checked by	W.D.	6-15
Approved by	MCW	6/17

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
Marvin R Weatherly
Susan M. Knowles

FINAL ORDER BY Stuart C. Hall & K. S. M.
 OK TO RELEASE TJM

In the Matter of the Application by the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE WATER UTILITY to Amend its Certificate of Public Convenience and Necessity No. 122 To Extend Its Service Area South Along Lake Otis Park way to O'Malley Road To Include Independence Park and Adjacent Lots

U-80-97

ORDER NO. 2

ORDER CLOSING DOCKET

Ordering paragraph No. 2 in Order No. 1 of this proceeding required the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE WATER UTILITY (AWU) to file, within 60 days, tariff sheets describing the amendments to its authorized service area granted by the Commission. On May 20, 1981, AWU complied with this requirement.

The Commission finds that all outstanding procedural and substantive matters have been disposed of in the above-captioned proceeding, and that there are no costs to be allocated to the utility. Accordingly, this Docket should be closed.

ORDER

THE COMMISSION FURTHER ORDERS, That, Docket U-80-97 is closed.

DATED AND EFFECTIVE at Anchorage, Alaska, this 28th day of June, 1981.

BY DIRECTION OF THE COMMISSION

(Inu, not part.)

(SEAL)

COMMISSION ACTION

MRW 6/26/81
MRW 6/26/81
NP
6/24/81

STAFF ACTION		
ACTION	INITIALS	DATE
Order by	MRW	6-20
Case	MCP	6-26
	MCP	6-30
	w/ corrections	

STATE OF ALASKA

ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing)
of a Tariff Revision, Design-)
nated as TA110-120, by the)
MUNICIPALITY OF ANCHORAGE)
d/b/a ANCHORAGE TELEPHONE)
UTILITY for Rates and Con-)
ditions for Exchange System)
Used by Interexchange Ser-)
vices.)

U-80-42

ORDER NO. 3

ORDER GRANTING TARIFF REVISION

On April 4, 1980, the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE TELEPHONE UTILITY (ATU) filed TA110-120 proposing rates and conditions for use of the utility's exchange system by interexchange services (ESIS).

The ESIS tariff offering provides unlimited local exchange service to users not located in the utility's service area. ESIS will apply to all services that have the capacity to utilize the local exchange system including, but not limited to, Foreign Exchange (FX), Common Control Switching Arrangements (CCSA), Off-Premise Extensions (OPX), Tie Lines (TL), and authorized MTS/WATS equivalent services provided by Other Common Carriers (OCC). ESIS will not apply to services, such as Message Telephone Service, that contribute, through the settlements process between the long lines carrier and the local exchange utility, to the financing of the cost of exchange facilities.

STAFF ACTION		
ACTION	FILE	DATE
Drafted by	MCP	7-7-81
Typed by	MCP	7-7-81
Checked by	MCP	7-7-81
Approved by	CAF	7-8-81
" "	MCP	7/9

OK MRW 7/7/81
 OL usg 7/7/81
 MP
 32 SA 7/2/81

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall

In the Matter of the Filing of a)
 Tariff Revision, Designated as)
 T110-120, by the MUNICIPALITY OF)
 ANCHORAGE d/b/a ANCHORAGE TELE-)
 PHONE UTILITY for Rates and Con-)
 ditions for Exchange System Used)
 by Interexchange Services)

U-80-42

ERRATA NOTICE

ORDER NO. 3

ORDER GRANTING TARIFF REVISION

(Issued June 26, 1981)

Page 10, line 10-1/2: Delete "Agreement" and Insert "for Interstate Access".

Page 23, line 30: Add "CCSA \$ 99".

Page 26, line 13: Add "Common Control Switching Arrangements \$ 99".

DATED AND EFFECTIVE at Anchorage, Alaska this 8th day of July, 1981.

BY DIRECTION OF THE COMMISSION
 (Commissioner Susan M. Knowles, not participating.)

(S E A L)

ALASKA PUBLIC UTILITIES COMMISSION
 1108 MACKAY BUILDING
 338 DENALI STREET
 ANCHORAGE, ALASKA 99501
 PHONE 276-0222

Referred to	OK or	Initials	Date
Zerbas			
Weatherly	OK	MWR	6/30/81
Guess	OK	CG	5/30/81
Knowles			
Hall	OK	SH	7/15/81

STAFF ACTION		
ACTION	DATE	
Drafted by		
Typed by		
Checked by		
Approved	MWR	7-10

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall

In the Matter of the Filing of)
 a Tariff Revision, Designated as)
 TA26-121, by the MUNICIPALITY OF)
 ANCHORAGE d/b/a MUNICIPAL LIGHT &)
 POWER DEPARTMENT for an Interim)
 and Permanent Rate Increase)

U-80-100
 ORDER NO. 5

ORDER EXTENDING SUSPENSION PERIOD

1
2
3
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6
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9
10
11

5/11/81

[Handwritten signatures and initials]

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by	RS	7/20
Typed by	RS	7/20
Checked by		
Approved by		
" "		
" "		

COPIES
 Referred
 OK MRW 9/20/81
 ON usg 7-20-81
 Known: BR cu 7-21-81
 Hall

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall

In the Matter of the Filing of a Special Contract between the MUNICIPALITY OF ANCHORAGE d/b/a MUNICIPAL LIGHT & POWER DEPARTMENT and the UNITED STATES OF AMERICA d/b/a FEDERAL AVIATION ADMINISTRATION

U-78-85

ORDER NO. 6 ✓

JJA

ORDER CLOSING DOCKET

The Commission finds that all outstanding procedural and substantive matters have been disposed of in the above-captioned proceeding and there are no allocable costs under AS 42.05.651 and 3 AAC 48.150(n)-(1). Accordingly, this Docket should be closed.

ORDER

THE COMMISSION FURTHER ORDERS, That, Docket U-78-85 is closed.

DATED AND EFFECTIVE at Anchorage Alaska, this ___ day of July, 1981.

BY DIRECTION OF THE COMMISSION

Stuart C. Hall

(S E A L)

WORK FILE	
Referred	COMMISSIONAL
Guess	OK
Knowles	OK
Hall	OK

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by		
Typed by		5-31
Checked by		5-31
Approved by		

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

W/ misprints provided dissenting in rate file

Before Commissioners: Carolyn S. Guess, Chairman

Marvin R. Weatherly

Susan M. Knowles

Stuart C. Hall

FINAL ORDERED BY

9/2/81

In the Matter of the Filing of)
 a Tariff Revision, Designated as)
 TA26-121, by the MUNICIPALITY OF)
 ANCHORAGE d/b/a MUNICIPAL LIGHT &)
 POWER DEPARTMENT for an Interim)
 and Permanent Rate Increase)

U-80-100

ORDER NO. 6

ORDER AFFIRMING BENCH ORDER GRANTING
 RATE INCREASE; ESTABLISHING REVENUE REQUIREMENT
 AND REQUIRING COST-OF-SERVICE STUDY

On October 24, 1980, the MUNICIPALITY OF ANCHORAGE d/b/a MUNICIPAL LIGHT & POWER DEPARTMENT (ML&P) filed a tariff revision, designated as TA26-121, requesting across-the-board interim and permanent rate increases of 23.31 percent (\$3,887,225 in additional revenues). Further, the filing requested that the utility be allowed to:

1. use a 1.406 proforma Debt Service Coverage (DSC) ratio which is based on maximum future debt service coverage;
2. implement a \$15 connection charge when permanent rate relief is granted. The connection charge reflects changes in the currently effective schedule of fees and charges and Tariff Rule 7.13. (ML&P Tariff Sheets 29, 42, 43 and 100); and
3. delete Rule 7.4 Primary Metering Discount. (ML&P Tariff Sheet No. 43).

COMMISSION ACTION			
Referred to	OK or	Initials	Date
Guess	OK	CG	10/16/81
Weatherly	OK	MHW	10/6/81
Knowles	OK	SK	10-8-81
Hall	gnt		10-8-81
Snowden	OK	ES	10-8-81

STAFF ACTION		
ACTED	INITIALS	DATE
Drafted by	(initials)	9/15
Typed by		
Checked by	MHS	10/6
Approved by	SK	

Center
 ↓ when
 using
 #2 paper

Please conform right margin better when printing in future use Center + standard order forms

STATE OF ALASKA
THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall
 Diana E. Snowden

FILED IN 10-19-81

In the Matter of the Filing of a)
 Tariff Revision, Designated as) U-81-19
 TA129-120, by the MUNICIPALITY)
 OF ANCHORAGE d/b/a ANCHORAGE) ORDER NO. 2
 TELEPHONE UTILITY To Revise Line)
 Extension and Unusual Construction)
 Policies)

ORDER EXTENDING
SUSPENSION PERIOD

Order No. 1 in this proceeding dated April 13, 1981, suspended the operation of a tariff revision, designated as TA129-120, ^{billed} by the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE TELEPHONE UTILITY (ATU) for an initial six-month period not to extend beyond October 6, 1981, and instituted an investigation into the reasonableness and propriety of the revision.

On October 5, 1981, the Commission received a letter from ATU stating that "Pursuant to discussions between utility and Commission staff, ^{staff} it is agreed to extend the time period for this particular filing by sixty (60) days."

^{Because} Since it appears that ^{the Commission} Staff and ATU are engaged in meaningful discussion which may lead to a satisfactory resolution of the issues in this proceeding, the Commission believes that the public interest would best be served by extending the suspension of TA129-120 for an additional ¹⁶⁰ ~~sixty (60)~~ day.

COMMISSION ACTION			
Referred to	OK or NO	Initials	Date
Guess	OK	ML	10-27-81
Weatherly	OK	ML	10/27/81
Knowles	OK	ML	10-27-81
Hall	OK	ML	10-27-81
Snowden	OK	ML	10-29-81

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by	ML	
Typed by	Donna	
Checked by		
Approved by	ML	10-29-81

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall
 Diana E. Snowden

CHECKED BY ST & BH
 OK TO RELEASE [Signature]

In the Matter of the Filing of a
 Tariff Revision, designated as
 TA8-122, by the MUNICIPALITY OF
 ANCHORAGE d/b/a ANCHORAGE WATER
 UTILITY for a General Rate Increase

U-76-66
 ORDER NO. 9

In the Matter of the Filing of a
 Tariff Revision, Designated as
 TA22-122, by MUNICIPALITY OF
 ANCHORAGE d/b/a ANCHORAGE WATER
 UTILITY for an Interim and Per-
 manent Rate Increase

J-81-78
 ORDER NO. 1

ORDER SUSPENDING OPERATION OF TARIFF REVISION
GRANTING INTERIM RATE INCREASE CLOSING DOCKET
U-76-66 AND ALLOCATING COSTS.

On September 2, 1981, ^{the} MUNICIPALITY OF ANCHORAGE
 d/b/a ANCHORAGE WATER UTILITY (AWU) filed a tariff revision,
 designated as TA22-122 requesting interim and permanent
 rate increases of 15 percent and 22.95 percent, respectively.
 The utility proposed that the rate increases be applied
 across-the-board to all recurring monthly charges for water
 sales. In addition, the rate increases would be applied to
 all non-recurring charges except deposits and initial fees for
 connection, permits and inspection. AWU has also requested
 that the private fire hydrant maintenance fee be deleted, its
 elimination having been overlooked in TA21-122.

The Commission Staff (Staff) has reviewed the
 filing and has determined that it meets the requirements of
 3 AAC 48.270 and 3 AAC 48.275(a). AWU has requested a
 waiver of 3 AAC 48.275(a)(8) since information relating to
 income taxes is inapplicable to a municipally owned utility.

Relays to	of	Initials	Date
CROSS	011	WJ	10/30/81
Months		OK MW	10/30/81
Knowledge		OW SW	10-30-81
Hail	1	ML SLL	11/3/81
Snowden		OK DBS	11-3-81

November 4
October 27, 1981

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by		
Typed in		
Checked by		
Approved by	WJ	10-27

2 Mr. John W. Coyne
3 Assistant Municipal Attorney
4 Municipality of Anchorage
5 Pouch 6-650
6 Anchorage, Alaska 99502

7 Dear Mr. Coyne:

8 RE: The Application of the Municipality of Anchorage
9 For a Certificate of Public Convenience and
10 Necessity to Operate as a Public Utility
11 Furnishing Garbage, Refuse and Trash
12 Collection and Disposal Service

13 With recognition of the fact that Staff agreed that responses
14 to questions 3, 4 and 10 could be omitted and the request
15 for exemption, ^{by the Municipality of Anchorage} a review of the above referenced application
16 discloses that the application is ~~difficult~~ ^{deficient} or otherwise
17 incomplete in the following respects:

- 18 (1) The \$50.00 application fee required by AS 42.05.661 and
19 noted in instructional footnote 2 of the application
20 has not been paid.
- 21 (2) The service area description, Exhibit E, is not set
22 forth in township, range and section designations as
23 requested in instructional footnote 3 of the application.
- 24 (3) The proposed tariff included with the application is
25 not set forth in the format approved by the Commission,
26 as required by 3AAC 48.200 ^{3AAC} 48.430 and as noted
27 in instructional footnote 13 of the application.

28 In order that noticing of the application can be made and to
29 avoid any further unnecessary delay in the processing of the
30 application, you are requested to immediately remit the
31
32

FINAL CHECKED BY _____ &
OF THE RELEASE

ALASKA PUBLIC UTILITIES COMMISSION
1100 MacKay Building - 338 Denali Street
Anchorage, Alaska 99501
Phone 276-6222

Referred to	12/1/81
By	12/1/81
OK	12/1/81
ST	12/1/81
concurring in holding	

ACTION	DATE

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall
 Diana E. Snowden

RKB ✓

In the Matter of the Filing of a)
 Tariff Revision, Designated as)
 TAL39-120, by the MUNICIPALITY)
 OF ANCHORAGE d/b/a ANCHORAGE)
 TELEPHONE UTILITY To Change the)
 Conditions and Rates for Coin)
 Telephone Service)

U-81-33
 ORDER NO. 2

✓ RKB

ORDER EXTENDING SUSPENSION PERIOD

Due to the workload and out-of-state commitments of the hearing panel in this proceeding, and the desire by the full Commission to address the social issues raised by the utility's request to increase the rates for public and semi-public telephone service from 10¢ to 20¢ per call, the Commission will extend the suspension period in this docket until March 1, 1982.

ORDER

THE COMMISSION ORDERS, That, the operation of the tariff revision designated as TAL39-120, filed by the Municipality of Anchorage d/b/a Anchorage Telephone Utility, is

needs order, file check

URGENT - PRIORITY
 MUST GO OUT DEC 1

COMMISSION ACTION			
Referred to	OK or NO	Initials	Date
Guess			
Weatherly	OK	MS	12/1/81
Knowles			
Hall			
Snowden			

STAFF ACTION		
ACTION	INITIALS	C
Drafted by	Hall	1
Typed by	MS	
Checked by		
Approved by		
" "		
" "		

* * RED TAG -
 ITEM

STATE OF ALASKA
 THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall
 Diana E. Snowden

FINAL CHECKED BY _____
 OK TO RELEASE _____

In the Matter of the Filing of a
 Tariff Revision, Designated as
 TA139-120, by the MUNICIPALITY
 OF ANCHORAGE d/b/a ANCHORAGE
 TELEPHONE UTILITY To Change the
 Conditions and Rates for Coin
 Telephone Service)

U-81-33
 ORDER NO. 2

ORDER EXTENDING SUSPENSION PERIOD, -REQUIRING ADDITIONAL INFORMATION, - AUTHORIZING CUSTOMER SERVICES SURVEY

On August 11, 1981, the Commission convened in public hearing in its Anchorage office to take public testimony and consider the evidence concerning the tariff revision, designated as TA139-120, filed by MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE TELEPHONE UTILITY (ATU) which proposed changes in the conditions and rates for coin telephone service. Among other matters, the

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by		
Typed by		
Checked by	WALT	6-15
Approved by	WALT	6-16

Refer:

Weatherly OK 6/16/81
 Guess OK 6/16/81
 Knowles OK 6/16/81
 Hall OK 6/16/81

STATE OF ALASKA
 THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall

OK to release

In the Matter of the Filing of a Tariff Revision, Designated as TA20-126, by the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE SEWER UTILITY for a Permanent General Sewer Rate Increase in the Anchorage, Eagle River, and Girdwood-Alyeska Sewer Service Areas) U-80-4

AM

In the Matter of the Filing of a Tariff Revision, Designated as TA23-126, by the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE SEWER UTILITY for Consolidation of Service Areas and Permanent Reduction of Rates) U-81-36

ERRATA NOTICE

ORDER NO. 10 and 1
~~ORDER NO. 1~~

ORDER SUSPENDING SERVICE AREA CONSOLIDATION AND APPROVING PERMANENT RATE REDUCTIONS
 (Issued June 15, 1981)

Passes before Finance

- Line 13, page 2: *Delete parenthesis around word "opposed"*
 Change "(opposed)" to "opposed".
- Line 22, page 3: Change "iself" to "itself".
- Line 22, page 4: Change "in" to "on".
- Line 28, page 5: Change "tha" to "the".

DATED AND EFFECTIVE at Anchorage, Alaska, this 16th day of June, 1981.

BY DIRECTION OF THE COMMISSION

(Commissioner K. R. P.)

for use space

p. 4, line 6: change "inappropriate" to "unappropriate"

(SEAC)

COMMISSION ACTION			
Referred to	OK or NO	Initials	Date
Guess	OK	CSG	1-26-82
Weatherly	OK	MWU	1-20-82
Knowles			
Hall			1-28-82
Snowden	OK	DES	1-28-82

STAFF ACTION		
ACTION	INITIALS	DATE
Drafted by	F. J. S.	1/18
Typed by	R. S.	1/19
Checked by	D. C.	1/19
Approved by		1/19

2d Draft

STIBH
[Signature]

STATE OF ALASKA
THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall
Diana E. Snowden

In the Matter of the Filing of a)
Tariff Revision, Designated as)
TA148-120, by the MUNICIPALITY OF)
ANCHORAGE d/b/a ANCHORAGE TELEPHONE)
UTILITY To Change the Rate Structure)
for the Provision of Basic Telephone)
Instruments)

U-81-46
ORDER NO. 2 *SS*

SS

*Insert (A)
(See P. 4)*

On June 16, 1981, the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE TELEPHONE UTILITY (ATU) filed a tariff revision, designated as TA148-120, requesting a change in rates and rate structure to separate billing charges between service access lines and telephone instruments. ATU stated that this was necessitated by recent Federal Communications Commission ^(FCC) actions.

ATU's present tariff provides for basic local business or residence service which includes the first or main telephone instrument at no additional charge. An additional charge is assessed for each extension connected to the basic local service. In TA148-120, ATU proposed to eliminate the extension charge, but proposed to charge the customer for each instrument (including the main instrument) provided by the utility. ATU asserted that elimination of extension service charges and implementation of

COMMISSION TARIFF ACTION MEETING

NC

Commissioners: Zerbetz
Weatherly
Guess
Knowles
Hall

AGENDA January 9, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
47-45	Nushagak Electric Cooperative, Inc.	2/9	Power Production Cost Assistance Staff recommendation: Approval	Approved Unanimously
6-210	Burton Carver & Co., Inc. (Homer)	1/27	Roll-off truck service Staff recommendation: Rejection	Suspended and grant interim w/Comms. Guess & Knowles dissenting
7-215	Burton Carver & Co., Inc. (Hope)	1/27	Roll-off truck service Staff recommendation: Rejection	Suspended and grant interim w/Comms. Guess & Knowles dissenting
			Staff recommendation:	
			Staff recommendation:	
44-3	General Telephone Company of Alaska	1/19	Unbundle mileage charge for station in off-premises extensions Staff recommendation: Approval	Approved Unanimously

COMMISSION TARIFF ACTION MEETING

NO. 271

AGENDA January 9, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
25-120	Anchorage Telephone Utility	1/9	Grandfather Key Systems 1 and 2 Staff recommendation: Approval	Approved Unanimously
41-25	Sitka Telephone Company	1/16	Rule Change re Wording on Billing Form Staff recommendation: Approval	Suspend unless waiver of 45 days received
42-25	Sitka Telephone Company	1/16	Billing Form Change Staff recommendation: Approval	Suspend unless waiver of 45 days received
84-19	Matanuska Telephone Association, Inc.	1/19	One Party Service in Eagle River Staff recommendation: Approval	Approved w/notice in next bill that this will take effect on the next bill
86-19'	Matanuska Telephone Association, Inc.	2/5	Correction of Typographical Error Staff recommendation: Approval	Approved Unanimously
13-96	Bettles Light & Power	1/13	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously

COMMISSION TARIFF ACTION MEETING

NO. 272

AGENDA January 9, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
10-230	Amfac Foods	1/16	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
32-63	Fort Yukon Utilities	1/19	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
63-16	Kodiak Electric Assoc., Inc.	1/20	Fuel Cost Rate Adjustment - Port Lions Staff recommendation: Approval	Approved Unanimously
64-16	Kodiak Electric Assoc., Inc.	1/20	Power Production Assistance - Port Lions Staff recommendation: Approval	Approved Unanimously
99-1	Alaska Electric Light & Power	1/26	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
11-24	Pelican Utility Company (Electric)	1/30	Fuel Cost Rate Adjustment Staff recommendation: Approval of a .42¢/KWH Surcharge	Approved Unanimously

COMMISSION TARIFF ACTION MEETING

NO. 273

AGENDA January 9, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
53-2	Alaska Power & Telephone (Skagway)	1/19	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
154-2	Alaska Power & Telephone (Hydaburg)	1/19	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
155-2	Alaska Power & Telephone (Tok)	1/19	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
156-2	Alaska Power & Telephone (Craig)	1/19	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
41-88	Northern Power & Engineering	1/26	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
U-80-26	Yakutat Power, Inc.	--	Compliance with order Staff recommendation: Approval	Approved Unanimously

COMMISSION TARIFF ACTION MEETING

No. 274

AGENDA January 9, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
U-80-44	Nushagak Electric Cooperative, Inc..	--	Compliance with order Staff recommendation: Approval	Approved Unanimously
U-80-75	Interior Telephone Company, Inc.	--	Compliance with order Staff recommendation: Approval	Hold for revision
			Staff recommendation:	
			Staff recommendation:	
			Staff recommendation:	
		--	Staff recommendation:	

COMMISSION TARIFF ACTION MEETING

NO. 275

AGENDA January 23, 1981
(DATE)

Comms. Zerbetz
Weatherly
Guess
Hall

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
TA 18-22	Naknek Electric Association, Inc.	2/19	Power Production Assistance Staff recommendation: Approval	Approved Unanimously
U-80-84	College Utilities Corporation (Sewer)	1/26	Emergency Interim Rate Increase Staff recommendation: Suspension	Approved Unanimously
U-80-85	College Utilities Corporation (Water)	1/26	Emergency Interim Rate Increase Staff recommendation: Approval	Approved Unanimously
42	McGahan Utilities, Inc.	1/26	Permanent Rate Increase Staff recommendation: Approval	Approved Unanimously
85-19	Matanuska Telephone Association, Inc.	1/26	Custom Calling Service in Wasilla Staff recommendation: Approval with 3/1/82 Expiration date	Approved Unanimously
87-19	Matanuska Telephone Association, Inc.	2/5	Correction of error Staff recommendation: Approval	Approved Unanimously

COMMISSION TARIFF ACTION MEETING

NO. 276

AGENDA January 23, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
125-120 Sup. 1	Anchorage Telephone Utility	1/9	Grandfather Key Systems 1 and 2 Staff recommendation: Approval	Approved Unanimously
45-3 46-3	General Telephone Company of Alaska	1/29 2/9	MITEL SX-100 and SX-200 Rates Paging and Intercommunicating Equipment and Emergency Reporting Service Rates Staff recommendation: Approval	Approved Unanimously
40-43	Bethel Utilities Corporation	1/31	Delinquent Account Charge of 5 percent Staff recommendation: Approval	Approved Permanently Unanimously
(-1	Alaska Electric Light and Power.	2/2	Pole Contact Agreement Staff recommendation: Approval	HOLD
156-15	Juneau & Douglas Telephone Company	2/2	Handling Charge for Delinquent Accounts Staff recommendation: Approval	Approved w/stipulation Unanimously
11-230	Amfac Foods, Inc.	2/23	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously

COMMISSION TARIFF ACTION MEETING

NO. 277

AGENDA January 23, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
17-22	Naknek Electric Association, Inc.	2/19	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
6-92	Tanana Power Company	3/2	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
29-121	Anchorage Municipal Light and Power	3/2	Gas Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
4-14	Haines Light and Power	2/19	Fuel Cost Rate Adjustment and Power Production Assistance Staff recommendation: Approval	Approved Unanimously
8-160	Cordova Electric Cooperative, Inc.	2/12	Fuel Cost Rate Adjustment and Power Production Assistance Staff recommendation: Approval	Approved Unanimously
U-80-100	Anchorage Municipal Light and Power	--	Compliance with order Staff recommendation: Approval.	Approved Unanimously

COMMISSION TARIFF ACTION MEETING

NO. 278

AGENDA January 23, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
U-80-6	Matanuska Electric Association, Inc.	--	Compliance with order Staff recommendation: Approval	Approved Unanimously
U-80-43	Homer Electric Association, Inc.	--	Compliance with Order #3 Staff recommendation: Approval	HOLD
U-80-43	Homer Electric Association, Inc.	--	Compliance with Order #4 Staff recommendation: Approval	HOLD
30-89	McGrath Light & Power Company	--	Compliance with Order Staff recommendation: Approval	Approved Unanimously
U-80-4	Anchorage Sewer Utility	--	Compliance with Order Staff recommendation: *	Approved Unanimously
		--	Staff recommendation:	

COMMISSION TARIFF ACTION MEETING

NO. 279

AGENDA February 11, 1981
(DATE)

Commissioners:
Guess
Weatherly
Zerbetz
Hall

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
NONE	CITY OF NOME	N/A	Power Production Assistance Staff recommendation: Approval of 3.1874¢/KWH PPA	Approved Unanimously
197-98	ALASCOM, INC.	2/23	Private Line Equipment for ATU Staff recommendation: Approval	Approved Unanimously
41-25 & 42-25	SITKA TELEPHONE CO.	Waived	Wording Change on Billing Form Staff recommendation: Conditional Approval of Waiver	Approved Unanimously
157-2	ALASKA POWER & TELEPHONE (SKAGWAY)	2/26	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
158-2	ALASKA POWER & TELEPHONE (TOK)	2/26	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
159-2	ALASKA POWER & TELEPHONE (CRAIG)	2/26	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously

* Not Available Yet

COMMISSION TARIFF ACTION MEETING

NO. 280

AGENDA February 11, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
101-1	ALASKA ELECTRIC LIGHT & POWER	2/26	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
33-63	FORT YUKON UTILITIES	3/5	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
14-96	Bettles Light & Power	3/9	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
3-227	ARCTIC UTILITIES, INC.	3/9	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
41-43	BETHEL UTILITIES CORP.	3/2	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
49-14	HAINES LIGHT & POWER CO., INC.	3/20	Fuel Cost Rate Adjustment and Power Production Assistance Staff recommendation: Approval	Approved Unanimously
			* Not Available Yet	

COMMISSION TARIFF ACTION MEETING

NO. 281

AGENDA February 11, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
28-10	COPPER VALLEY ELECTRIC ASSOCIATION, INC.	3/5	Fuel Cost Rate Adjustment and Power Production Assistance (Glennallen & Valdez) Approval of requested surcharges and requested Glennallen PPA; Staff recommendation: Approval of 2.44¢/KWH PPA at Valdez	Approved Unanimously
48-45	NUSHAGAK ELECTRIC COOPERATIVE, INC.	3/21	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
49-45	NUSHAGAK ELECTRIC COOPERATIVE, INC.	3/21	Power Production Assistance Staff recommendation: Approval	Approved Unanimously
65-16	KODIAK ELECTRIC ASSOC., INC.	3/12	Fuel Cost Rate Adjustment - Kodiak Staff recommendation: Approval	Approved Unanimously
66-16	KODIAK ELECTRIC ASSOC., INC.	3/12	Power Production Assistance - Kodiak Staff recommendation: Approval	Approved Unanimously
U-80-48	PATRICIA S. SCHROYER d/b/a LAZY ACRES SUBDIVISION	---	Compliance w/Order Staff recommendation: Approval * Not Available Yet	Approved Unanimously

COMMISSION TARIFF ACTION MEETING

NO. 282

Commissioners: Gordon J. Zerbetz, Chairman
Carolyn S. Guess
Stuart C. Hall

AGENDA March 2, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
9-66	Radio Communications, Inc.	Waived	Special Contract w/Shell Oil Staff recommendation: Suspension	Approved for 30 days Unanimously
22-32	Homer Electric Association, Inc.	3/13	Rules & Regulations Staff recommendation: Interim Approval	Held w/hearing scheduled for week of 3/16 Unanimously
126-120 127-120 128-120 130-120 131-120	Anchorage Telephone Utility	3/2 3/2 3/2 3/9 3/9	Program Amplifier Rates Bridge for Several Legs of Common Data Circuit rates Reconfiguration Charge for Class L PBX Private Line Terminal Equipment Rates Staff recommendation: Deletion or Limitation of PBX Systems Approval	Approved Unanimously
148-49	Glacier State Telephone Company	3/9	Digitone Receiver card Rate for SL-1 PABX and Touchcall Staff recommendation: rate for Kodiak CGB Suspension and Interim Approval	Suspended and Granted Interim Unanimously
30-121	Anchorage Municipal Light & Power	4/6	Gas cost rate adjustment Staff recommendation: Approval	Approved Unanimously
12-24	Pelican Utility Company	3/20	Fuel cost rate adjustment Staff recommendation: Approval	Approved Unanimously

* Not Available Yet

COMMISSION TARIFF ACTION MEETING

NO. 283

AGENDA March 2, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
103-1	Alaska Electric Light & Power	4/3	Fuel cost rate adjustment Staff recommendation: Approval	Approved Unanimously
42-88	Northern Power & Engineering	3/30	Fuel cost rate adjustment Staff recommendation: Approval	Approved Unanimously
42-43	Bethel Utilities Corp.	3/30	Fuel cost rate adjustment Staff recommendation: Approval	Approved Unanimously
9-160	Cordova Electric Cooperative, Inc.	3/23	Fuel cost rate adjustment Staff recommendation: Approval	Approved Unanimously
50-14	Haines Light & Power Co., Inc.	3/26	Fuel Cost rate adjustment and Power Production Assistance Staff recommendation: Approval	Approved Unanimously
51-45	Nushagak Electric Cooperative, Inc.	4/6	Fuel cost rate adjustment Staff recommendation: Approval	Approved Unanimously

* Not Available Yet

COMMISSION TARIFF ACTION MEETING

NO. 285

AGENDA March 2, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
U-80-85	College Utilities Corp. (Water)	---	Compliance w/order Staff recommendation: Conditional Approval	Approved Unanimously
U-80-85	College Utilities Corp. (Water)	---	Compliance w/order Staff recommendation: Conditional Approval	Approved Unanimously
U-80-56	Juneau & Douglas Telephone Company	---	Compliance w/order Staff recommendation: Approval	Approved Unanimously
			Staff recommendation:	
			Staff recommendation:	
		--	Staff recommendation: * Not Available Yet	

COMMISSION TARIFF ACTION MEETING

NO. 286

AGENDA March 13, 1981
(DATE)

Commissioners: Zerbetz.
Weatherly
Guess

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
	Manley Utility Company and Takotna Village Association, Inc.	N/A	Power Production Assistance Notify MUC & TVA of audit requirement; Staff recommendation: Direct Staff to perform audits.	Approved Unanimously
7-92	Tanana Power Company	N/A	Rate Increase Staff recommendation: Approval of Staff Calculated Rate Increase	Approved Unanimously
			Staff recommendation:	
			Staff recommendation:	
			Staff recommendation:	
			Staff recommendation:	
			* Not Available Yet	

COMMISSION TARIFF ACTION

NO. 286.1

AGENDA March 13, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
198-98	ALASCOM, INC.	3/16	Private Direct Toll Access Line Service for St. George and Akutan Staff recommendation: Suspension	Approved w/Commers. Guess Dissenting
102-1	ALASKA ELECTRIC LIGHT & POWER	3/19	Budget Payment Plan for All-Electric Residential and Commercial customers Staff recommendation: Approval	Approved Unanimously
149-49	GLACIER STATE TELEPHONE COMPANY	4/10	Revised Base Rate Area for Kodiak Coast Guard Base Staff recommendation: Approval	Approved Unanimously
160-2	ALASKA POWER & TELEPHONE (Craig)	3/26	Fuel cost rate adjustment Staff recommendation: Approval	Approved Unanimously
162-2	ALASKA POWER & TELEPHONE (Skagway)	3/26	Fuel cost rate adjustment Staff recommendation: Approval	Approved Unanimously
163-2	ALASKA POWER & TELEPHONE (Craig)	4/9	Fuel cost rate adjustment Staff recommendation: Approval	Approved Unanimously

* Not Available Yet

COMMISSION TARIFF ACTION MEETING

NO. 287

AGENDA March 13, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
12-230	AMFAC FOODS, INC.	4/3	Fuel cost rate adjustment Staff recommendation: Approval	Approved Unanimously
29-10	COPPER VALLEY ELECTRIC ASSOCIATION, INC.	4/6	Fuel cost rate adjustment and Power Production Assistance Staff recommendation: Approval	Approved Unanimously
68-16	KODIAK ELECTRIC ASSOCIATION, INC. (Kodiak)	4/13	Power Production Assistance Update Staff recommendation: Approval	Approved Unanimously
69-16	KODIAK ELECTRIC ASSOCIATION, INC. (Kodiak)	4/13	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
U-81-3	BURTON CARVER & CO., INC.	--	Compliance with order Staff recommendation: Approval	Hold
U-81-4	BURTON CARVER & CO., INC.	--	Compliance with order Staff recommendation: Approval # Not Available Yet	Hold

COMMISSION TARIFF ACTION MEETING

NO. 288

AGENDA March 27, 1961
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
50-45	Nushagak Electric Cooperative, Inc.	4/9	Line Extension Policy Changes Staff recommendation: Suspension	Suspended Unanimously
129-120	Anchorage Telephone Utility	4/6	Line Extension Policy Changes Staff recommendation: Suspension	Suspended Unanimously
132-120	Anchorage Telephone Utility	Waived	Credit for Returning Instrument to Phone Store Staff recommendation: Approval	Approved Unanimously
133-120	Anchorage Telephone Utility	1/10	Special contracts with DECCO - Alaska for FAA Staff recommendation: Approval	Approved Unanimously
88-19	Matanuska Telephone Association, Inc.	Waived	Starset Headset Rate Staff recommendation: Approval	Approved Unanimously
89-19	Matanuska Telephone Association, Inc.	4/3	.4800 Baud Modem Rate Staff recommendation: Approval of reduced rate * Not Available Yet	Approved Unanimously

COMMISSION TARIFF ACTION MEETING

NO. 289

AGENDA March 27, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
31-121	Anchorage Municipal Light & Power	4/27	Gas Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
161-2	Alaska Power & Telephone (Tok)	Waived	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
164-2	Alaska Power & Telephone (Tok)	4/9	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
166-2	Alaska Power & Telephone (Skagway)	4/23	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
34-63	Fort Yukon Utilities	4/6	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
33-53	Yakutat Power, Inc.	4/9	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously

* Not Available Yet

COMMISSION TARIFF ACTION MEETING

NO. 290

AGENDA March 27, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
13-42	Northway Power & Light	4/16	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
104-1	Alaska Electric Light & Power	4/27	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
30-10	Copper Valley Electric Association, Inc.	5/1	Fuel Cost Rate Adjustments and Power Production Assistance Updates Staff recommendation: Approval	Approved Unanimously
10-240	Tlingit-Haida Regional Electrical Authority	5/7	Fuel Cost Rate Adjustment and Power Production Assistance Update Staff recommendation: *	Approved Unanimously
53-45	Nushagak Electric Cooperative, Inc.	5/4	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
54-45	Nushagak Electric Cooperative, Inc.	5/4	Power Production Assistance Update Staff recommendation: Approval	Approved Unanimously

* Not Available Yet

COMMISSION TARIFF ACTION MEETING

NO. 291

AGENDA March 27, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
1D-160	Cordova Electric Cooperative, Inc.	4/27	Power Production Assistance Update Staff recommendation: Approval	Approved Unanimously
U-80-75	Interior Telephone Company	--	Compliance with order Staff recommendation: Approval	Approved Unanimously
U-81-3	Burton Carver & Co., Inc.	--	Compliance with order Staff recommendation: Approval	Approved Unanimously
U-81-4	Burton Carver & Co., Inc.	--	Compliance with order Staff recommendation: Approval	Approved Unanimously
			Staff recommendation:	
		--	Staff recommendation: * Not Available Yet	

COMMISSION TARIFF ACTION MEETING

NO. 292

Commissioners: Guess
Weatherly
Knowles
Hall

AGENDA April 13, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
199-98	Alascom, Inc.	4/27	FAA Special Radio Control System Staff recommendation: Approval	APPROVAL UNANIMOUSLY
22-28	Central Alaska Utilities, Inc.	4/27	Offsite Assessments Staff recommendation: Interim Approval	INTERIM REFUNDABLE APPROVAL UNANIMOUSLY
23-97	College Utilities Corp. (Water)	4/13	Assessments Staff recommendation: Approval of Interim and Suspension of Permanent	INTERIM APPROVAL & PERMANENT SUSPENSION UNANIMOUSLY
24-37	College Utilities Corp. (Sewer)	4/13	Assessments Staff recommendation: Approval of Interim and Suspension of Permanent	INTERIM APPROVAL & PERMANENT SUSPENSION UNANIMOUSLY
22-126	Anchorage Sewer Utility	4/17	Contract w/Kulis Air National Guard Base Staff recommendation: Approval	APPROVAL UNANIMOUSLY
			Staff recommendation: # Not Available Yet	

COMMISSION TARIFF ACTION MEETING

NO. 293

AGENDA April 13, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
90-19	Matanuska Telephone Association, Inc.	4/24	Change of Palmer and Eagle River office addresses and addition of Wasilla office address Staff recommendation: Approval	APPROVAL UNANIMOUSLY
95-19	Matanuska Telephone Association, Inc.	5/11	Correction of metes and bounds of Talkeetna Exchange Staff recommendation: Approval	APPROVAL UNANIMOUSLY
137-120	Anchorage Telephone Utility	5/11	Relocation of rate to Private Line Section and deletion of rate Staff recommendation: Approval	APPROVAL UNANIMOUSLY
35-63	Fort Yukon Utilities	5/1	Fuel cost Rate Adjustment Staff recommendation: Approval	APPROVAL UNANIMOUSLY
105-1	Alaska Electric Light & Power	5/18	Fuel cost Rate Adjustment Staff recommendation: Approval	APPROVAL UNANIMOUSLY
43-43	Bethel Utilities Corp.	5/4	Fuel cost Rate Adjustment Staff recommendation: Approval	APPROVAL UNANIMOUSLY

COMMISSION TARIFF ACTION MEETING

NO. 294

AGENDA April 13, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
70-16	Kodiak Electric Association, Inc.	5/15	Fuel Cost Rate Adjustment Staff recommendation; Approval	APPROVAL UNANIMOUSLY
71-16	Kodiak Electric Association, Inc.	5/21	Power Protection Assistance Staff recommendation; Approval	APPROVAL UNANIMOUSLY
U-79-90	Radio Communications, Inc.	---	Compliance w/order Staff recommendation: Approval	APPROVAL UNANIMOUSLY
			Staff recommendation:	
			Staff recommendation:	
			Staff recommendation:	
			* Not Available Yet	

COMMISSION TARIFF ACTION MEETING

NO. 295

Commissioners: Guess
Weatherly
Knowles
Hall

AGENDA April 24, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
24-97	COLLEGE UTILITIES CORP.	5/25	Omnibus administrative, fixed charge and rate design changes.	REJECTED UNANIMOUSLY
25-37			Staff recommendation: rejection	
			Staff recommendation:	
			Staff recommendation:	
			Staff recommendation:	
67-16	KODIAK ELECTRIC ASSOC. INC.	4/30	Reconnection fee increase after infraction of payment requirements	APPROVAL UNANIMOUSLY
			Staff recommendation: Approval	
23-28	CENTRAL ALASKA UTILITIES, INC.	Wai- ved	Contract w/Municipality of Anchorage	APPROVAL UNANIMOUSLY
			Staff recommendation: Approval	

* Not Available Yet

COMMISSION TARIFF ACTION MEETING

No. 296

AGENDA April 24, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
150-49	GLACIER STATE TELEPHONE CO.	4/27	Additional Equipment for the Kodiak Coast Guard Base PABX Staff recommendation: Approval	HOLD
43-25 44-25	SITKA TELEPHONE COMPANY	5/4	Billing Regulations change Billing Form change Staff recommendation: Approval	APPROVAL UNANIMOUSLY
91-19	MATANUSKA TELEPHONE ASSOC INC.	4/24	Textual changes to index and rate schedules Staff recommendation: Approval	APPROVAL UNANIMOUSLY
32-121	ANCHORAGE MUNICIPAL LIGHT & POWER	5/25	Gas Cost Rate Adjustment Staff recommendation: Approval	APPROVAL UNANIMOUSLY
13-42	PELICAN UTILITY COMPANY	5/18	Fuel Cost Rate Adjustment Staff recommendation: Approval	APPROVAL UNANIMOUSLY
43-88	NORTHERN POWER & ENGINEERING	5/25	Fuel Cost Rate Adjustment Staff recommendation: Approval * Not Available Yet	APPROVAL UNANIMOUSLY

COMMISSION TARIFF ACTION MEETING

NO. 297

AGENDA April 24, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
167-2	ALASKA POWER & TELEPHONE (SKAGWAY)	5/28	Fuel Cost Rate Adjustment Staff recommendation: Approval	APPROVAL UNANIMOUSLY
168-2	ALASKA POWER & TELEPHONE (TOK)	5/28	Fuel Cost Rate Adjustment Staff recommendation: Approval	APPROVAL UNANIMOUSLY
169-2	ALASKA POWER & TELEPHONE (HYDABURG)	5/28	Fuel Cost Rate Adjustment Staff recommendation: Approval	APPROVAL UNANIMOUSLY
31-10	COPPER VALLEY ELECTRIC ASSOCIATION, INC.	5/25	Fuel Cost Rate Adjustment and Power Production Assistance (Glennallen) Staff recommendation: Approval	APPROVAL UNANIMOUSLY
2D-160	CORDOVA ELECTRIC COOP, INC	5/28	Power Production Assistance Staff recommendation: Approval of PPA lower than requested	APPROVAL UNANIMOUSLY
U-81-18	TANANA POWER COMPANY	--	Compliance w/order Staff recommendation: Approval * Not Available Yet	APPROVAL UNANIMOUSLY

COMMISSION TARIFF ACTION MEETING

NO. 298

AGENDA April 24, 1991
(L.A. "E")

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
U-80-57	ANCHORAGE TELEPHONE UTIL.	--	Compliance w/order Staff recommendation: Approval	APPROVAL UNANIMOUSLY
U-80-85	COLLEGE UTILITIES CORP.	--	Compliance w/order 1 and 4 Staff recommendation: Approval	APPROVAL UNANIMOUSLY
U-80-85	COLLEGE UTILITIES CORP.	--	Compliance w/order 6 Staff recommendation: Conditional approval	HOLD UNTIL 4/27/81
U-80-84 U-80-58	COLLEGE UTILITIES CORP.	--	Compliance w/order 6 Staff recommendation: Conditional approval	HOLD UNTIL 4/27/81
			Staff recommendation:	
		--	Staff recommendation: * Not Available Yet	

COMMISSION TARIFF ACTION MEETING

NO. 299

AGENDA May 8, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
			Staff recommendation:	
			Staff recommendation:	
3-208	NUSHAGAK TELEPHONE COOPERATIVE, INC.	5/8	CUSTOM CALLING SERVICE Staff recommendation: APPROVAL	APPROVED W/QUALIFICATIONS UNANIMOUSLY
134-120	ANCHORAGE TELEPHONE UTILITY	5/11	CHANGE IN AVAILABLE OFFERINGS OF ANSWERING AND RECORDING DEVICES Staff recommendation: APPROVAL	APPROVED UNANIMOUSLY
135-120 136-120,	ANCHORAGE TELEPHONE UTILITY	5/11	STRAIGHT LINE FEATURE TELEPHONE INSTRUMENT FOR ROLM CBX AND SCBX AND SL-1 Suspension for further investigation; Staff recommendation: Approval of non-refundable interim rate	SUSPENDED AND INTERIM NONREFUNDABLE W/COMM. KNOWLES DISSENTING ON REFUND
158-15	JUNEAU & DOUGLAS TELEPHONE COMPANY	5/15	TOUCH CALLING SERVICE IN DOUGLAS EXCHANGE Staff recommendation: SUSPENSION AND INTERIM APPROVAL OF \$1.00 RATE	PERMANENTLY APPROVED UNANIMOUSLY

* Not Available Yet

COMMISSION TARIFF ACTION MEETING

NO. 300

AGENDA May 8, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
26-4	ALASKA GAS & SERVICE	6/15	DEPOSIT RULE CHANGE Staff recommendation: APPROVAL	APPROVED UNANIMOUSLY
36-63	FORT YUKON UTILITIES	6/1	FUEL COST RATE ADJUSTMENT Staff recommendation: APPROVAL	APPROVED UNANIMOUSLY
			Staff recommendation:	
72-16	KODIAK ELECTRIC ASSOCIATION, INC.	6/11	FUEL COST RATE ADJUSTMENT Staff recommendation: APPROVAL	APPROVED UNANIMOUSLY
73-16	KODIAK ELECTRIC ASSOCIATION, INC.	6/11	POWER PRODUCTION ASSISTANCE UPDATE Staff recommendation: APPROVAL	APPROVED UNANIMOUSLY
U-80-56	JUNEAU & DOUGLAS TELEPHONE COMPANY	---	COMPLIANCE W/ORDER Staff recommendation: REJECTION	REJECTED UNANIMOUSLY

COMMISSION TARIFF ACTION MEETING

NO. 301

AGENDA May 8, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
U-79-23	TLINGIT-HAIDA REGIONAL ELECTRIC AUTHORITY	--	COMPLIANCE W/ORDER Staff recommendation: APPROVAL	APPROVED UNANIMOUSLY
U-81-18	TANANA POWER COMPANY	--	COMPLIANCE W/ORDER Staff recommendation: APPROVAL	APPROVED UNANIMOUSLY
U-79-36	COPPER VALLEY TELEPHONE COOPERATIVE	--	COMPLIANCE W/ORDER Staff recommendation: APPROVAL	APPROVED UNANIMOUSLY
U-80-95	MATANUSKA TELEPHONE ASSOCIATION, INC.	--	COMPLIANCE W/ORDER Staff recommendation: APPROVAL	APPROVED UNANIMOUSLY
			Staff recommendation:	
		--	Staff recommendation: * Not Available Yet	

COMMISSION TARIFF ACTION MEETING

NO. 302

Commissioners Present: Guess
Weatherly
Knowles
Hall

AGENDA May 22, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
TA22-18	MATANUSKA ELECTRIC ASSOCIATION, INC.	5/26	Interim & Permanent Rate Increases Staff recommendation: Suspension and Approval of 16.79% Interim	2 recommendations: Wipperman - approval Evans - approval plus sus- pension period could change for rate redesign phase of the case - unanimously
TA139-120	ANCHORAGE TELEPHONE UTILITY.	6/1	Public and Semi-Public Coin Telephone Service Staff recommendation: Suspension	Suspend Unanimously
TA15-165	INTERIOR TELEPHONE COMPANY	5/22	New Rate Development Factors Staff recommendation: Interim Approval	Suspend Interim approval; consolidated with perm. rate case. Unanimously
TA-72	MANLEY UTILITY COMPANY	--	Power Production Assistance Staff recommendation: * Approval of PPA different from that requested	CONCUR Approval Unanimously
TA92-19	MATANUSKA TELEPHONE ASSOCIATION, INC.	6/1	Hearing and Speech Impaired Communications Equipment Staff recommendation: Approval in Part & Rejection in Part	Did not concur: Interim approval; investigate rule conditions Hall - concured with Staff.
TA93-19	MATANUSKA TELEPHONE ASSOCIATION, INC.	6/8	Individual Tariff for Alaska Division of Emergency Services Staff recommendation: Approval	Approval Unanimously

COMMISSION TARIFF ACTION MEETING

NO. 303

AGENDA May 22, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
TA94-19	MATANUSKA TELEPHONE ASSOCIATION, INC.	6/11	Individual Tariff for University of Alaska, Department of Agriculture Staff recommendation: Suppression APPROVAL	Approval Unanimously
TA138-120	ANCHORAGE TELEPHONE UTILITY	5/26	Consolidation of GAB Telecommunications Company and Anchorage Telephone Utility Tariffs Staff recommendation: Approval, with certain procedural exceptions	Approval with conditions: Knowles, Guess, Hall. Weatherly did not concur.
TA140-120	ANCHORAGE TELEPHONE UTILITY	6/4	Revised Rates for Key System 5, 2 new telsets, and Alternate Payment Plan for Key System 5 Staff recommendation: *	Approval Unanimously
TA44-88	NORTHERN POWER & ENGINEERING	5/28	Delinquent Account Charge Staff recommendation: Approval	Approval Unanimously
TA33-121	ANCHORAGE MUNICIPAL LIGHT & POWER	6/29	Gas Cost Rate Adjustment Staff recommendation: Approval	Approval Unanimously
TA13-230	AMFAC FOODS, INC.	6/1	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approval Unanimously

COMMISSION TARIFF ACTION MEETING

NO. 304

AGENDA May 22, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
TA14-230	AMFAC FOODS, INC.	6/1	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approval Unanimously
TA14-42	NORTHWAY POWER & LIGHT	6/15	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approval Unanimously
TA9-5	ANIAK LIGHT & POWER	6/29	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approval Unanimously
TA170-2	ALASKA POWER & TELEPHONE (Skagway)	6/29	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approval Unanimously
TA171-2,	ALASKA POWER & TELEPHONE (Tok)	6/29	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approval Unanimously
TA172-2	ALASKA POWER & TELEPHONE (Craig)	6/29	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approval Unanimously

COMMISSION TARIFF ACTION MEETING

NO. 305

AGENDA May 22, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
TA11-240	TLINGIT-HAIDA REGIONAL ELECTRIC AUTHORITY	7/2	Fuel Cost Rate Adjustment and Power Production Assistance Staff recommendation: Approval	Hold - Pending Revenue Requirement Order Release
TA51-14	HAINES LIGHT & POWER	7/2	Fuel Cost Rate Adjustment and Power Production Assistance Staff recommendation: Approval	Approval Unanimously
TA32-10	COPPER VALLEY ELECTRIC ASSOCIATION, INC.	6/26	Fuel Cost Rate Adjustment and Power Production Assistance Staff recommendation: Approval	Approval Unanimously
-78-14	M & D ENTERPRISES	---	New Tariff in Compliance w/Order Staff recommendation: Approval with Staff Modifications	Approval Unanimously
U-79-98	YUKON TELEPHONE, INC.	---	Compliance w/Order Staff recommendation: Approval	Approval Unanimously
U-80-65	FAR NORTH SANITATION	---	Compliance w/Order Staff recommendation: Approval	Approval Unanimously

COMMISSION TARIFF ACTION MEETING

NO. 306

AGENDA May 22, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
U-81-25	CENTRAL ALASKA UTILITIES, INC.	--	Compliance w/Order Staff recommendation: Approval	Approval Unanimously
U-80-84	COLLEGE UTILITIES CORP. (Sewer)	--	Compliance w/Order Staff recommendation: Conditional Approval	Approval Unanimously
U-80-85	COLLEGE UTILITIES CORP. (Water)	--	Compliance w/Order Staff recommendation: Conditional Approval	Approval. Unanimously
-81-23	COLLEGE UTILITIES CORP. (Water)	--	Compliance w/Order Staff recommendation: Approval	Approval Unanimously
U-81-24	COLLEGE UTILITIES CORP. (Sewer)	--	Compliance w/Order Staff recommendation: Approval	Approval Unanimously
		--	Staff recommendation:	

COMMISSION TARIFF ACTION MEETING

No. 307

Commissioners Present: Knowles
Hall
Guess - concurred with
Knowles & Hall
on June 9, 1981.

AGENDA June 8, 1981
(Date)

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
	NAPAKIAK CORPORATION	--	Power Production Assistance Staff recommendation: <i>staff to audit</i>	APPROVAL UNANIMOUSLY
	TAKOTNA COMMUNITY ASSOCIATION UTILITIES	--	Power Production Assistance Staff recommendation: <i>approve PPA; complete utility deficiencies</i>	APPROVAL UNANIMOUSLY
200-98	ALASCOM, INC.	7/10	Special Equipment Arrangement for Private Line Staff recommendation: *	WITHDRAWN
15-230	AMFAC FOODS, INC.	6/29	Fuel Cost Rate Adjustment Staff recommendation: Approval	APPROVAL UNANIMOUSLY
4-227	ARCTIC UTILITIES, INC	7/2	Fuel Cost Rate Adjustment Staff recommendation: Interim refundable approval	APPROVAL UNANIMOUSLY
			*Not Available Yet	

COMMISSION TARIFF ACTION MEETING

No. 308

AGENDA June 8, 1981
(Date)

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
106-1	ALASKA ELECTRIC LIGHT & POWER CO.	6/29	Fuel Cost Rate Adjustment Staff recommendation: Approval	APPROVAL UNANIMOUSLY
36-53	YAKUTAT POWER CO., INC.	7/10	Fuel Cost Rate Adjustment Staff recommendation: Approval	APPROVAL UNANIMOUSLY
15-96	Bettles Light & POWER	7/10	Fuel Cost Rate Adjustment Staff recommendation: Approval	APPROVAL UNANIMOUSLY
74-16	KODIAK ELECTRIC ASSOC.	7/16	Fuel Cost Rate Adjustment Staff recommendation: Approval	APPROVAL UNANIMOUSLY
55-45	NUSHAGAK ELECTRIC COOP., INC.	7/16	Fuel Cost Rate Adjustment Staff recommendation: Approval	APPROVAL UNANIMOUSLY

COMMISSION TARIFF ACTION MEETING

No. 309

AGENDA June 8, 1981
(Date)

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
75-16	KODIAK ELECTRIC ASSOCIATION, INC.	7/16	Power Production Assistance Staff recommendation: Approval	APPROVAL UNANIMOUSLY
56-45	NUSHAGAK ELECTRIC COOP., INC.	7/16	Power Production Assistance Staff recommendation: Approval	APPROVAL UNANIMOUSLY
30-160	CORDOVA ELECTRIC COOP., INC.	7/6	Power Production Assistance Staff recommendation: Approval	APPROVAL UNANIMOUSLY
U-80-97	ANCHORAGE WATER UTILITY	N/A	Compliance with Order Staff recommendation: Approval	APPROVAL UNANIMOUSLY
U-80-80	TLINGIT-HAIDA REGIONAL ELECTRIC AUTHORITY	N/A	Compliance with Order Staff recommendation: Approval	APPROVAL UNANIMOUSLY

COMMISSION TARIFF ACTION MEETING

No. 310

AGENDA June 8, 1981
(Date)

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
U-80-23	GLACIER STATE TELEPHONE COMPANY	N/A	Compliance with Order Staff recommendation:	APPROVAL UNANIMOUSLY
U-80-75	INTERIOR TELEPHONE CO.	N/A	Compliance with Order Staff recommendation: Approval	APPROVAL UNANIMOUSLY
U-75-68	ALASKA GAS & SERVICE CO.	N/A	Compliance with Order Staff recommendation: Approval	APPROVAL UNANIMOUSLY
U-80-43	HOMER ELECTRIC ASSOCIATION, INC.	N/A	Compliance with Order Staff recommendation: Approval	WITHDRAWN
			Staff recommendation:	

AGENDA June 10, 1981
(Date)

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
23-126	ANCHORAGE SEWER UTILITY	6/15	<p>Rate Consolidation</p> <p>Permanent Rate reductions across-the-board, denial of deletion of definitions & rate schedules, addition of definition, & order to show cause why AB55A rates</p> <p>Staff recommendation: should not be decreased.</p>	<p>APPROVED UNANIMOUSLY</p>
			Staff recommendation:	
			Staff recommendation:	
			Staff recommendation:	
			Staff recommendation:	

AGENDA June 19, 1981
(Date)

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
U-81-2	ALASCOM, INC.	--	Local Exchange Tariff for Saint Paul Staff recommendation: Approval	APPROVED UNANIMOUSLY W/Modifications
TA201-98 U-81-2	ALASCOM, INC.	7/23	Compliance w/Order No. 2, U-81-2 Staff recommendation: Approval	APPROVED UNANIMOUSLY
29-4	ALASKA GAS & SERVICE CO.	7/13	Purchased Gas Cost Adjustment Staff recommendation: Approval	APPROVED UNANIMOUSLY
-4 28-4	ALASKA GAS & SERVICE CO.	6/29	Increase in Residential Rates Amendment to contract w/Muni. of Anchorage Staff recommendation: Rejection	REJECTED UNANIMOUSLY
8-217	Anchorage Refuse, Inc.	7/2	Interim and Permanent Rate Increases Staff recommendation: *	HOLD until 6/30 or 7/1
			* Not Available Yet	

AGENDA June 19, 1981
(Date)

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
96-19	MATANUSKA TELEPHONE ASSOC., INC.	6/26	Rate Development Factor Change Staff recommendation: Suspension and Interim Approval	SUSPENDED & INTERIM APPROVED UNANIMOUSLY
151-49	GLACIER STATE TELEPHONE COMPANY	7/6	Permanent Rate Increase Staff recommendation: Suspension	SUSPENDED UNANIMOUSLY
142-120	ANCHORAGE TELEPHONE UTILITY	6/25	Manual EIA Switch for Private Line Equipment Staff recommendation: Approval	APPROVED UNANIMOUSLY
10-120	ANCHORAGE TELEPHONE UTILITY	6/25	Toll Only Print Option for Key System 6 Staff recommendation: Approval	APPROVED UNANIMOUSLY
144-120	ANCHORAGE TELEPHONE UTILITY	6/25	Data Station Termination for Private Line Data Equipment Staff recommendation: Approval	APPROVED UNANIMOUSLY

COMMISSION TARIFF ACTION MEETING

No. 314

AGENDA June 19, 1981
(Date)

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
145-120	ANCHORAGE TELEPHONE UTILITY	7/7	Several Changes to the Special Telephone section Staff recommendation: Approval	APPROVED UNANIMOUSLY
146-120	ANCHORAGE TELEPHONE UTILITY	7/2	Deletions and changes to the Secretarial Answering Service section Staff recommendation: Approval	APPROVED UNANIMOUSLY
34-121	ANCHORAGE MUNICIPAL LIGHT & POWER	7/27	Gas Cost Rate Adjustment Staff recommendation: Approval	APPROVED UNANIMOUSLY
24	Pelican Utility Co.	7/10	Fuel Cost Rate Adjustment Staff recommendation: Approval of surcharge different from that proposed.	APPROVED UNANIMOUSLY
173-2	ALASKA POWER & TELEPHONE	7/27	Fuel Cost Rate Adjustment (Craig) Staff recommendation: Approval	APPROVED UNANIMOUSLY

COMMISSION TARIFF ACTION MEETING

No. 315

AGENDA June 19, 1981
(Date)

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
174-2	ALASKA POWER & TELEPHONE	7/27	Fuel Cost Rate Adjustment (Hydaburg) Staff recommendation: Approval	APPROVED UNANIMOUSLY
175-2	ALASKA POWER & TELEPHONE	7/27	Fuel Cost Rate Adjustment (Skagway) Staff recommendation: Approval	APPROVED UNANIMOUSLY
52-14	HAINES LIGHT & POWER	7/23	Fuel Cost Rate Adjustment & Power Production Assistance Staff recommendation: Approval	APPROVED UNANIMOUSLY
10	COPPER VALLEY ELEC. ASSOCIATION, INC.	7/24	Fuel Cost Rate Adjustment & Power Production Assistance (Glennallen and Valdez) Staff recommendation: Approval	APPROVED UNANIMOUSLY
4D-160	CORDOVA ELECTRIC COOP., INC.	7/30	Power Production Assistance Staff recommendation: Approval	APPROVED UNANIMOUSLY

COMMISSION TARIFF ACTION MEETING

No. 316

AGENDA June 19, 1981
(Date)

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
			Staff recommendation:	
U-80-100	ANCHORAGE MUNICIPAL LIGHT & POWER	--	Compliance w/Bench Order Staff recommendation: Approval	APPROVED UNANIMOUSLY
U-80-56	JUNEAU & DOUGLAS TELEPHONE COMPANY	--	Compliance w/order Staff recommendation: Approval	APPROVED UNANIMOUSLY
.0-89	MC GRATH LIGHT & POWER	--	Compliance w/order Staff recommendation: Approval	APPROVED UNANIMOUSLY
TA15-44	MC GRATH LIGHT & POWER	--	Power Production Assistance Compliance Staff recommendation: Approval	APPROVED UNANIMOUSLY

COMMISSION TARIFF ACTION MEETING

No. 317

AGENDA June 19, 1981
(Date)

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
TA138-120	ANCHORAGE TELEPHONE UTILITY	--	Compliance w/By Direction Letter Staff recommendation: Approval	APPROVED UNANIMOUSLY
			Staff recommendation:	
			Staff recommendation:	
			Staff recommendation:	
			Staff recommendation:	
			Staff recommendation:	

COMMISSION TARIFF ACTION MEETING

NO. 318

AGENDA July 10, 1981
(DATE)

Comms: Guess
Knowles
Hall

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
			Staff recommendation:	
1	NAPAKIAK CORPORATION	--	Power Production Assistance Staff recommendation: *	Not Available
15-42	NORTHWAY POWER. & LIGHT, INC.	7/10	Rate Increase Staff recommendation: Grant Interim Less than requested and Suspend Permanent	Approval of Interim & Suspension of Permanent Unanimously
17-1	ALASKA ELECTRIC LIGHT & POWER	7/16	Rate Increase Staff recommendation: Grant Interim Less than Requested and Suspend Permanent	Approval of Interim & Suspension of Permanent Unanimously
10-5	ANIAC LIGHT & POWER	8/3	Service Area Correction Staff recommendation: Approval	Approval Unanimously
23-18	MATANUSKA ELECTRIC ASSOC., INC.	7/20	Change in Billing Policy Staff recommendation: Approval	Approval Unanimously

* Not Available Yet

COMMISSION TARIFF ACTION MEETING

NO. 319

AGENDA July 10, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
24-28	CENTRAL ALASKA UTIL., INC.	7/23	Finance Charge Increase Staff recommendation: Approval	Approval Unanimously
44-43	BETHEL UTILITIES CORP.	7/27	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approval Unanimously
16-230	AMFAC FOODS, INC.	8/3	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approval Unanimously
108-1	ALASKA ELECTRIC LIGHT & POWER	7/22	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approval Unanimously
76-16	KODIAK ELECTRIC ASSOC., INC.	8/12	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approval Unanimously
77-16	KODIAK ELECTRIC ASSOC., INC.	8/12	Power Production Assistance Staff recommendation: Approval	Approval Unanimously

* Not Available Yet

COMMISSION TARIFF ACTION MEETING

NO. 320

AGENDA July 10, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
U-81-32	MATANLSKA ELECTRIC ASSOCIATION, INC.	---	Compliance w/Order Staff recommendation: Approval	Approval Unanimously
U-80-56	JUNEAU & DOUGLAS TELEPHONE COMPANY	--	Compliance w/Order Staff recommendation: Approval	Approval Unanimously
158-15	JUNEAU & DOUGLAS TELEPHONE COMPANY.	--	Compliance w/Letter Order Staff recommendation: Approval	Approval Unanimously
240	TLINGIT-HAIDA REGIONAL ELECTRIC AUTHORITY	--	Addition of Power Production Assistance to Rate Schedule Staff recommendation: Approval	Approval Unanimously
U-80-80	TLINGIT-HAIDA REGIONAL ELECTRIC AUTHORITY	--	Compliance w/Order Staff recommendation: Approval	Approval Unanimously
U-79-4	NORFOLK UTILITIES, INC.	---	Compliance w/Order Staff recommendation: Approval	Approval Unanimously

COMMISSION TARIFF ACTION MEETING

NO. 321

AGENDA July 10, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
U-80-8	ANCHORAGE TELEPHONE UTILITY	--	Compliance w/Order Staff recommendation; Approval	Approval Unanimously
U-80-84	COLLEGE UTILITIES CORP. (SEWER)	--	Compliance w/Order Staff recommendation; Approval	Approval Unanimously
U-80-85	COLLEGE UTILITIES CORP. (WATER)	--	Compliance w/Order Staff recommendation: Approval	Approval Unanimously
			Staff recommendation:	
			Staff recommendation:	
			Staff recommendation: * Not Available Yet	

COMMISSION TARIFF ACTION MEETING

No. 323

AGENDA July 24, 1981
(Date)

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
28-13	GOLDEN VALLEY ELECTRIC ASSOCIATION, INC.	8/13	Rate Increases Staff recommendation: Grant 13.49% Interim & Suspend Permanent	Deny Interim and Suspend Permanent Unanimously
	PELICAN UTILITY CO. (SAND POINT)	8/13	Rate Increases Staff recommendation: Grant 24.3% Interim & Suspend Permanent	Granted 24.3% Interim & Suspended Permanent w/Commission Knowles dissenting
13-44 U-80-89	MC GRATH LIGHT & POWER		Rate Increases Grant 84.68% Interim above permanent Staff recommendation: Rates and Suspend Permanent	Grant Interim & Suspend Permanent Unanimously
			Staff recommendation:	
			Staff recommendation:	

COMMISSION TARIFF ACTION MEETING

NO. 324

AGENDA July 24, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
98-19	MATANUSKA TELEPHONE ASSOCIATION, INC.	8/10	Dishonored Check Charge and Delinquent Account Charge Increases Staff recommendation: *	Approved w/Weatherly & Knowles Partially Dissenting
23-8	CHUGACH ELECTRIC ASSOC., INC.	8/10	Underground Line Extension Differential Staff recommendation: Approval	Approved w/Conditions Unanimously
47-3	GENERAL TELEPHONE COMPANY OF ALASKA	8/5	Additions and Deletions of Terminal Equipment Staff recommendation: Approval	Approved Unanimously
159-15	JUNEAU & DOUGLAS TELEPHONE COMPANY	8/12	Deletions of Terminal Equipment Staff recommendation: Approval	Approved Unanimously
25-97	COLLEGE UTILITIES CORP. (WATER)	8/19	Administrative Cleanup Staff recommendation: Approval	Approved Unanimously
35-121	ANCHORAGE MUNICIPAL LIGHT & POWER	8/24	Gas Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously

COMMISSION TARIFF ACTION MEETING

NO. 325

AGENDA July 24, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
8-92	TANANA POWER COMPANY	8/21	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
			Staff recommendation:	Approved Unanimously
176-2	ALASKA POWER & TELEPHONE (SKAGWAY)	8/26	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
177-2	ALASKA POWER & TELEPHONE (CRAIG)	8/31	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
178-2	ALASKA POWER & TELEPHONE (HYDABURG)	8/31	Fuel Cost Rate Adjustment Staff recommendation: Approval	Approved Unanimously
34-10	COPPER VALLEY ELECTRIC ASSOCIATION, INC. (GLENNALLEN)	8/21	Fuel Cost Rate Adjustment and Power Production Assist- ance Staff recommendation: Approval	Approved Unanimously
			* Not Available Yet	

COMMISSION TARIFF ACTION MEETING

NO. 326

AGENDA July 24, 1981
(DATE)

TA NO.	UTILITY NAME	45 day	SUBJECT MATTER AND STAFF RECOMMENDATIONS	ACTION TAKEN
31-17	KOTZEBUE ELECTRIC ASSOCIATION, INC.	8/26	Fuel Cost Rate Adjustment and Power Production Assistance Staff recommendation: Approval	Approved Unanimously
24-18	MATANUSKA ELECTRIC ASSOCIATION, INC. (UNALAKLEET)	9/1	Fuel Cost Rate Adjustment and Power Production Assistance Staff recommendation: Approval	Approved Unanimously
U-80-12	EAGLE RIVER HEIGHTS UTILITIES, INC.	--	Compliance w/Order Staff recommendation: Approval	Approved Unanimously
81-40	ANCHORAGE REFUSE, INC.	--	Compliance w/Order Staff recommendation: Approval	Approved Unanimously
U-80-42	ANCHORAGE TELEPHONE UTILITY	--	Compliance w/Order Staff recommendation: Approval	Approved Unanimously
U-80-23	GLACIER STATE TELEPHONE COMPANY	--	Compliance w/Order Staff recommendation: Approval	Approved Unanimously

COMMISSION TARIFF ACTION MEETING

Commissioners: Guess
Weatherly
Knowles
Hall

No. 327

AGENDA August 14, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER	STAFF RECOMMENDATION	ACTION TAKEN
202-98	ALASCOM, INC.	8/14	Conditions for connection of telephone utility facilities to Alascom facilities	Staff Recommendation: Approval	APPROVED UNANIMOUSLY
149-120	ANCHORAGE TELEPHONE UTILITY	8/20	New rate development factors	Staff Recommendation: Approval as modified	APPROVED UNANIMOUSLY
151-120	ANCHORAGE TELEPHONE UTILITY	8/24	Multi-line terminal equipment offered on a temporary basis & customer terminal equipment upgrade without penalty	Staff Recommendation: Approval	APPROVED UNANIMOUSLY WITH COMM. KNOWLES NOT PARTICIPATING
150-120	ANCHORAGE TELEPHONE UTILITY	8/14	Addition of concept of individual tariffs for special equipment; individual tariff rates for TASCOM telephone answering system	Staff Recommendation:	APPROVED UNANIMOUSLY
203-98	ALASCOM, INC.	8/24	Communicatively handicapped equipment	Staff Recommendation: Approval	HOLD
26-37	COLLEGE UTILITIES CORP. (Sewer)	8/19	Textual revisions	Staff Recommendation: Approval	APPROVED UNANIMOUSLY

* Not available

COMMISSION TARIFF ACTION MEETING

No. 328

AGENDA August 14, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
30-17	KOTZEBUE ELECTRIC ASSOC., INC.	8/3	Request for tariff interpretation Staff Recommendation: See memo	HOLD
	PELICAN UTILITY CO.	9/2	Fuel cost rate adjustment Staff Recommendation: Approval	APPROVED UNANIMOUSLY
45-88	NORTHERN POWER & ENG.	9/8	Fuel cost rate adjustment Staff Recommendation: Approval	APPROVED UNANIMOUSLY
37-63	FORT YUKON UTILITIES	9/8	Fuel cost rate adjustment Staff Recommendation: Approval	APPROVED UNANIMOUSLY
57-45	NUSHAGAK ELECTRIC COOP., INC.	9/10	Fuel cost rate adjustment Staff Recommendation: Approval	APPROVED UNANIMOUSLY
109-1	ALASKA ELECTRIC LIGHT & POWER COMPANY	8/24	Fuel cost rate adjustment Staff Recommendation: Approval	APPROVED UNANIMOUSLY

* Not available

COMMISSION TARIFF ACTION MEETING

No. 329

AGENDA August 14, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
78-16	KODIAK ELECTRIC ASSOC., INC.	9/16	Fuel cost rate adjustment Staff Recommendation: Approval	APPROVED UNANIMOUSLY
U-80-4 U-81-36	ANCHORAGE SEWER UTL.	8/28	Compliance w/Ordering Paragraphs 4 & 8 of Order No. 10 in U-80-4 and Order No. 1 in U-81-36 Staff Recommendation: Approval	APPROVED UNANIMOUSLY
U-80-4 U-81-36	ANCHORAGE SEWER UTL.	8/28	Compliance w/Ordering Paragraph 7 of Order No. 10 in U-80-4 and Order No. 1 in U-81-36 Staff Recommendation: Approval in part & Rejection in part	HOLD
U-81-44	ALASKA ELECTRIC LIGHT & POWER	9/8	Compliance w/ Order Staff Recommendation: Approval	APPROVED UNANIMOUSLY
U-81-4	BURTON CARVER & CO., INC.	9/17	Compliance w/Order Staff Recommendation: Approval	APPROVED UNANIMOUSLY
U-81-3	BURTON CARVER & CO., INC.	9/17	Compliance w/Order Staff Recommendation: Approval	APPROVED UNANIMOUSLY

AGENDA August 14, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
U-80-39	Homer Electric Association, Inc.	9/17	Special Contract with Tesoro Staff Recommendation: Approval	APPROVED UNANIMOUSLY
			Staff Recommendation:	
			Staff Recommendation:	
			Staff Recommendation:	
			Staff Recommendation:	
1			Staff Recommendation: * Not available	

COMMISSION TARIFF ACTION MEETING

Commissioners Present:

Guess
Weatherly
Knowles
Hall

No. 331

AGENDA August 21, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
U-80-4 U-81-36	ANCHORAGE SEWER UTILITY	8/28	Compliance w/Ordering Paragraph 7 of Order No. 10 in Docket U-80-4 and Order No. 1 in Docket U-81-36 Staff Recommendation: Approval in Part & Rejection in Part	Concur
U-03-98	ALASCOM, INC.	8/24	Communicatively Handicapped Equipment Staff Recommendation: Approval	Grant interim refundable approval; Suspend; require info re: rate development; open generic docket
30-17	KOTZEBUE ELECTRIC ASSOCIATION, INC.	8/3	Request for tariff interpretation Staff Recommendation: See memo	Concur with Staff; recommend clarifying language
	HOMER ELECTRIC ASSOCIATION, INC	N/A	Combined Billing Staff Recommendation: Reaffirm earlier decision to disallow	Concur with Staff
U-79-65	CENTRAL ALASKA UTILITIES	N/A	Southwood Park Subdivision Deviation from Tariff Staff Recommendation: Approval	Concur with Staff
			Staff Recommendation: Not available	

AGENDA August 28, 1981

TA NO.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
204-98	ALASCOM, INC.	8/28	Private Direct Toll Access Line Service Staff Recommendation: Suspension	Approved w/stipulation deleting Togiak & Eagle Unanimously
U-81-51	MATANUSKA TELEPHONE ASSOC., INC.	N/A	Interim Approval of Connection, Move & Trip Charges Staff Recommendation: Interim Approval	HOLD
26-169	ALASKA VILLAGE ELECTRIC COOP., INC.	9/25	Service area amendment Staff Recommendation: Approval	Approved w/Commissioner Hall Dissenting
36-121	ANCHORAGE MUNICIPAL LIGHT & POWER	9/24	Gas Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
110-1	ALASKA ELECTRIC LIGHT & POWER	10/5	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
15-24	PELICAN UTILITY CO. (Pelican)	9/23	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
179-2	ALASKA POWER & TELEPHONE (Skagway)	9/24	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously

* Not available

AGENDA August 28, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
180-2	ALASKA POWER & TELEPHONE	9/24	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
37-53	YAKUTAT POWER, INC.	9/28	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
23-32	HOMER ELECTRIC ASSOC., INC.	10/6	Wholesale Power Cost Adjustment Staff Recommendation: *	Approved Unanimously
1D-22	NAKNEK ELECTRIC ASSOC., INC.	9/17	Power Production Assistance Staff Recommendation: Approval	Approved Unanimously
98-19	MATANUSKA TELEPHONE ASSOC., INC.	9/30	Compliance with By Direction Letter Staff Recommendation: Approval	Approved Unanimously
			Staff Recommendation: * Not available	

AGENDA August 28, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
25-97	COLLEGE UTILITIES CORP. (Water)	9/30	Compliance w/By Direction Letter Staff Recommendation: approval	Approved Unanimously
-80-43	HOMER ELECTRIC ASSOC., INC.	7/5	Rules and Regulations Staff Recommendation: Will be available 8/27	Approved Unanimously
U-81-42	NORTHWAY POWER & LIGHT	10/1	Compliance w/order Staff Recommendation: Approval	Approved Unanimously
U-80-24	TELEPHONE UTILITIES OF ALASKA, INC. (Fort Wainwright)	9/16	Adoption Notice Staff Recommendation: Approval	Approved Unanimously
			Staff Recommendation:	
			Staff Recommendation: * Not available	

COMMISSION TARIFF ACTION MEETING

Commissioners: Guess
Weatherly
Knowles
Hall

No. 335

AGENDA September 11, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
4-251	TELEPHONE UTILITIES OF ALASKA, INC.	9/16	Custom Calling Rates Staff Recommendation: Approval	Concurred with Staff
161-15	JUNEAU & DOUGLAS TELEPHONE COMPANY	9/14	Unbundled Tariff Staff Recommendation: Suspension	Concurred with Staff
160-15	JUNEAU & DOUGLAS TELEPHONE COMPANY	9/14	Touch Calling in the Sterling Exchange Staff Recommendation: Approval	Concurred with Staff
205-98	ALASCOM, INC.	9/16	Electronic Blackboard Rates Staff Recommendation: Suspension with Interim Approval	Concurred with Staff
19-230	PELICAN UTILITY CO. - Sand Point	10/2	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Concurred with Staff
111-1	ALASKA ELECTRIC LIGHT & POWER	10/19	Fuel Cost Rate Adjustment Staff Recommendation: Approval * Not available	Concurred with Staff

AGENDA September 11, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
150-120	ANCHORAGE TELEPHONE UTILITY	8/14	Compliance w/Letter Order Staff Recommendation: Approval	Concurred with Staff
U-80-89	MC GRATH LIGHT & POWER COMPANY	10/5	Compliance w/Order Staff Recommendation: Approval	Concurred with Staff
1	NAPAKIAK CORPORATION	---	Request for Reconsideration of Power Production Assistance Staff Recommendation:	Support Staff Deny Napakiak's request for reconsideration & will pursue discussion with the AG's office.
			Staff Recommendation:	
			Staff Recommendation:	
			Staff Recommendation: * Not available	

COMMISSION TARIFF ACTION MEETING

Commissioners: Guess
Weatherly
Knowles
Hall

No. 337

AGENDA September 25, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
152-49	GLACIER STATE TELEPHONE COMPANY	9/30	Unbundled Tariff Staff Recommendation: Suspension	Suspended Unanimously
152-218	EAGLE RIVER REFUSE, INC.	9/25	Interim & Permanent Rate Increases Staff Recommendation: *	Interim Approved & Permanent Suspended Unanimously
153-49 162-15	GLACIER STATE TELEPHONE COMPANY JUNEAU & DOUGLAS TELEPHONE COMPANY	10/16	New Billing Form Staff Recommendation: Approval	Approved Unanimously
152-120	ANCHORAGE TELEPHONE UTILITY	10/5	Signaling Equipment Staff Recommendation: Approval	Approved Unanimously
153-120	ANCHORAGE TELEPHONE UTILITY	10/9	Call Off/Transfer Key Staff Recommendation: Approval	Approved Unanimously
155-120	ANCHORAGE TELEPHONE UTILITY	10/9	Call Detail Recording Equipment Staff Recommendation: Approval	Approved Unanimously

* Not available

COMMISSION TARIFF ACTION MEETING

No. 338

AGENDA September 25, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
156-120	ANCHORAGE TELEPHONE UTILITY	10/9	Deletion of 1K Memory Card LA34 & Addition of 4K Memory Card LA34 Staff Recommendation: Approval	Approved Unanimously
17-121	ANCHORAGE MUNICIPAL LIGHT & POWER	10/26	Gas Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
182-2	ALASKA POWER & TELEPHONE (Hydaburg)	10/28	Fuel Cost Rate Adjustment Staff Recommendation: *	Approved Unanimously
183-2	ALASKA POWER & TELEPHONE (Skagway)	10/28	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
U-81-54	PELICAN UTILITY COMPANY	10/14	Compliance w/Order Staff Recommendation: Approval	Approved Unanimously
U-80-89	MCGRATH LIGHT & POWER	11/5	Compliance w/Order Staff Recommendation: Approval * Not available	Approved Unanimously

COMMISSION TARIFF ACTION MEETING

AGENDA September 25, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
U-81-48	GOLDEN VALLEY ELECTRIC ASSOCIATION, INC.	10/19	Compliance w/Order Staff Recommendation: Approval	Approved Unanimously
TA204-98	ALASCOM, INC.	10/30	Compliance w/Letter Order Staff Recommendation: Approval	Approved Unanimously
U-80-25	CENTRAL ALASKA UTILITIES, INC.	N/A	Compliance w/Order Staff Recommendation: Approval	Approved Unanimously
			Staff Recommendation:	
			Staff Recommendation:	
			Staff Recommendation:	

* Not available

COMMISSION TARIFF ACTION

Guess
Weatherly
Knowles
Hall
Snowden

AGENDA October 9, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
38-53	YAKUTAT POWER, INC.	10/14	Interim and Permanent Rate Increases Staff Recommendation: Grant Interim & Suspend Permanent	Interim Granted & Permanent Suspended w/Comm. Hall dissenting re: rate of return
2-122	ANCHORAGE WATER UTILITY	10/16	Interim and Permanent Rate Increases Staff Recommendation: Grant Interim & Suspend Permanent	Interim Granted & Permanent Suspended Unanimously
24-126	ANCHORAGE SEWER UTILITY	11/2	Amendment to Sewer Service Agreement w/ State of Alaska, Department of Transportation and Public Facilities Staff Recommendation: Approval	Approved Unanimously
25-18	MATANUSKA ELECTRIC ASSOCIATION, INC. (Unalakleet)	11/11	Fuel Cost Rate Adjustment and Power Production Assistance Staff Recommendation: Approval	Approved Unanimously
32-17	KOTZEBUE ELECTRIC ASSOCIATION, INC.	11/11	Fuel Cost Rate Adjustment and Power Production Assistance Staff Recommendation: Approval of a Different Surcharge	Approved Unanimously
6D-160	CORDOVA ELECTRIC COOPERATIVE, INC.	11/11	Power Production Assistance Staff Recommendation: Approval	Approved Unanimously

* Not available

AGENDA October 9, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
2D-22	NAKNEK ELECTRIC ASSOCIATION, INC. (Naknek)	11/18	Power Production Assistance Staff Recommendation: Approval	Approved Unanimously
J-81-14	HOMER ELECTRIC ASSOCIATION, INC.	9/3	Compliance w/order Staff Recommendation: Approval	Approved Unanimously
			Staff Recommendation:	
			Staff Recommendation:	
			Staff Recommendation:	
/			Staff Recommendation: * Not available	

COMMISSION TARIFF ACTION MEETING

Commissicners: Guess
Weatherly
Knowles

No. 342

AGENDA October 23, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
28-169	ALASKA VILLAGE ELECTRIC COOPERATIVE, INC.	17/27	Power Cost Assistance Staff Recommendation: Approval of PCA lower than requested	Approved Unanimously
49-3	GENERAL TELEPHONE COMPANY OF ALASKA	11/13	Revised Rules Governing Establishment and Furnishing of Service Staff Recommendation: Approval in part/Suspension in part	Suspended Unanimously
53-14	HAINES LIGHT & POWER	10/23	Contract between HL&P and Small Power Producer Staff Recommendation: Approval.	Approved Unanimously
			Staff Recommendation:	
99-19	MATANUSKA TELEPHONE ASSOCIATION, INC.	11/5	Individual Tariff for Radio Communications, Inc. Staff Recommendation: Approval	HOLD
100-19	MATANUSKA TELEPHONE ASSOCIATION, INC.	11/30	New Billing Form Staff Recommendation: Approval	HOLD

* Not available

AGENDA October 23, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
38-121	ANCHORAGE MUNICIPAL LIGHT & POWER	11/25	Gas Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
6-96	BETTLES LIGHT & POWER	11/20	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
112-1	ALASKA ELECTRIC LIGHT & POWER	11/27	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
184-2	ALASKA POWER & TELE- PHONE (Skagway)	11/27	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
27-169	ALASKA VILLAGE ELEC- TRIC COOPERATIVE, INC.	11/27	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
U-79-4	NORFOLK UTILITIES, INC.	10/23	Compliance w/order Staff Recommendation: Approval	Approved Unanimously
			* Not available	

AGENDA October 23, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
U-80-4 U-81-36	ANCHORAGE SEWER UTILITY	11/18	Compliance w/order Staff Recommendation: Approval	Approved Unanimously
U-81-42	NORTHWAY POWER & LIGHT	11/27	Compliance w/order Staff Recommendation: Approval	Approved Unanimously
U-81-15	GLACIER STATE TELE- PHONE COMPANY	11/6	Compliance w/order Staff Recommendation: Approval	Approved Unanimously
U-81-27	GLACIER STATE TELE- PHONE COMPANY	11/6	Compliance w/order Staff Recommendation: Approval	Approved Unanimously
U-73-28	MATANUSKA TELEPHONE ASSOCIATION, INC.	11/16	Compliance w/order Staff Recommendation: Approval	Approved Unanimously
U-80-26	YAKUTAT POWER, INC.	11/30	Compliance w/order Staff Recommendation: Approval	Approved Unanimously

* Not available

COMMISSION TARIFF ACTION MEETING

Commissioners: Weatherly
Knowles
Hall
Snowden

No. 345

AGENDA November 13, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
14-240	Tlingit-Haida Regional Electric Cooperative, Inc.	12/8	Power Cost Assistance Staff Recommendation: Approval	Approved Unanimously
48-3	General Telephone Company of Alaska	11/16	Non-Recurring Charge Increase Staff Recommendation: Approval of a lower increase than requested	Approved Unanimously
8-11	Copper Valley Telephone Cooperative, Inc.	11/13	Unbundled Tariff Staff Recommendation: Suspend	Suspended Unanimously
80-16	Kodiak Electric Association, Inc. (Port Lions)	11/13	Interim & Permanent Rate Increase Staff Recommendation: Suspend Permanent; Approve Across-the-Board Interim	Suspended Permanent and Granted Interim Unanimously
24-32	Homer Electric Association, Inc.	11/19	Special Contract with City of Seldovia Staff Recommendation: Approval	Approved Unanimously
100-19	Matanuska Telephone Association, Inc.	11/23	New Billing Form Staff Recommendation: Approval	Approved Unanimously

AGENDA November 13, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
185-2	Alaska Power & Telephone (Tok)	12/7	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
38-63	Fort Yukon Utilities	12/7	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
15-240	Tlingit-Haida Regional Electric Cooperative, Inc.	12/21	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
16-24	Pelican Utility Company (Pelican)	11/30	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
20-230	Pelican Utility Company (Sand Point)	11/30	Fuel Cost Rate Adjustment Staff Recommendation: Approve reduced surcharge; require refund.	Suspended Permanent and Approved Interim Unanimously
21-230	Pelican Utility Company (Sand Point)	12/3	Fuel Cost Rate Adjustment Staff Recommendation: Approve reduced surcharge; require refund	Suspended Permanent and Approved Interim Unanimously
			* Not available	

AGENDA November 13, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
U-81-12	Pelican Utility Company (Sand Point)	11/16	New Tariff Staff Recommendation: Incorporate New Tariff into U-81-12; Approve Adoption Notice	Approved Adoption Notice Unanimously
-81-54	Pelican Utility Company (Sand Point)	12/3	Compliance with Order Staff Recommendation: Approval	Approved Unanimously
U-80-100	Anchorage Municipal Light & Power	11/6	Compliance with Order Staff Recommendation: Approval	Approved Unanimously
53-14	Haines Light & Power	12/16	Compliance with Letter Order Staff Recommendation: Approval	Approved Unanimously
U-79-41	Matanuska Telephone Association, Inc.	10/5	Compliance With Order Staff Recommendation: Approval	HOLD
	Kodiak Sanitation, Inc.	12/3	Adoption Notice Staff Recommendation: Approval	Approved Unanimously

* Not available

AGENDA November 13, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
U-81-75	Eagle River Refuse, Inc.	12/16	Compliance with Order Staff Recommendation: Approval	Approved Unanimously
U-81-52	Chugach Electric Association, Inc.	12/21	Compliance with Order Staff Recommendation: Approval	Approved Unanimously
TA 28-169	Alaska Village Electric Cooperative, Inc.	12/23	Compliance with Letter Order Staff Recommendation: Approval	Approved Unanimously
			Staff Recommendation:	
			Staff Recommendation:	
			Staff Recommendation: * Not available	

COMMISSION TARIFF ACTION MEETING

Commissioners: Guess
Hall
Snow 'en

No. 349

AGENDA November 23, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
3-274	M & D ENTERPRISES	1/4	Power Cost Assistance (Inclusion of this item on the agenda is on a tentative basis) Staff Recommendation: *	NOT AVAILABLE
39-121	ANCHORAGE MUNICIPAL LIGHT & POWER	12/28	Gas Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
20-230 21-230	PELICAN UTILITY CO. (Sand Point)	11/30 12/3	Fuel Cost Rate Adjustments at Sand Point Staff Recommendation: Further reduce surcharges; grant interim approval to surcharges; direct refund	Staff recommendations Approved Unanimously
23-230	PELICAN UTILITY CO. (Sand Point)	12/28	Fuel Cost Rate Adjustment at Sand Point Staff Recommendation: Reduce Surcharge; grant interim approval to reduce surcharge; direct refund.	Staff recommendations Approved Unanimously
			Staff Recommendation:	
113-1	ALASKA ELECTRIC LIGHT & POWER	12/23	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously

* Not available

AGENDA November 23, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
187-2	ALASKA POWER & TELEPHONE (Tok)	12/28	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
188-2	ALASKA POWER & TELEPHONE (Skagway)	12/28	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
2-274	M & D ENTERPRISES	12/28	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
3D-22	NAKNEK ELECTRIC ASSOC., INC.	12/30	Power Production Assistance Staff Recommendation: Approval	Approved Unanimously
U-78-10	ARCTIC SLOPE TELEPHONE ASSOC. COOP.	10/9	Compliance w/Order Staff Recommendation: Approval	Approved Unanimously
U-81-57	UNITED UTILITIES, INC.	12.28	Compliance w/Order Staff Recommendation: Approval	Approved Unanimously

* Not available

AGENDA December 18, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
			Staff Recommendation:	
		1/13	Staff Recommendation:	
33-17	KOTZEBUE ELECTRIC ASSOC., INC.	1/13	Power Cost Assistance Staff Recommendation: Approval	Approved Unanimously
18-96	BETTLES LIGHT & POWER	12/21	Power Cost Assistance Staff Recommendation: Correction of Previously approved PCA	Correction Approved Unanimously
58-45	NUSHAGAK ELECTRIC COOP., INC.	1/15	Power Cost Assistance Staff Recommendation: Approval	Approved Unanimously
45-43	BETHEL UTILITIES CORP., INC.	1/18	Power Cost Assistance Staff Recommendation: Approval as Adjusted * Not available	Approved Unanimously

AGENDA December 18, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
2	TAKOTNA VILLAGE COMMUNITY ASSOC.	12/31	Power Cost Assistance Staff Recommendation: Rejection	HELD
	CITY OF RUBY	1/4	Power Cost Assistance Staff Recommendation: Approval as adjusted on interim basis, Subject to audit	Approved Amount Unanimously
54-14	HAINES LIGHT & POWER	1/8	Power Cost Assistance Staff Recommendation: Approval as adjusted	Approved Unanimously
2	NAPAKIAK CORPORATION	1/10	Power Cost Assistance Staff Recommendation: Approval as adjusted on interim basis, Subject to audit.	Approved Amount Unanimously
7D-160	CORDOVA ELECTRIC COOP., INC.	1/10	Power Cost Assistance Staff Recommendation: Approval on an interim basis, Subject to audit.	Approved Amount Unanimously
35-10	COPPER VALLEY ELECTRIC ASSOC. INC	1/13	Power Cost Assistance Staff Recommendation: Approval as adjusted	Approved Unanimously

* Not available

AGENDA December 18, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
17-44	MCGRATH LIGHT & POWER	1/13	Power Cost Assistance Approval as adjusted on an interim basis, Staff Recommendation: Subject to Commission acceptance of the	HELD stipulation.
LD-72	MANLEY UTILITY CO.	1/15	Power Cost Assistance Approval as adjusted on an interim basis, Staff Recommendation: Subject to audit.	Approved Amount Unanimously
1D	HUGHES POWER & ELECTRIC	1/18	Power Cost Assistance Staff Recommendation: Rejection	Letter explaining re- quirements approved unanimously
3L-150	NOME JOINT UTILITIES SYSTEM	1/13	Power Cost Assistance Staff Recommendation: Approval as adjusted	Approved Amount Unanimously
26-18	MATANUSKA ELECTRIC ASSOC., INC. (Unalakleet)	1/14	Power Cost Assistance Staff Recommendation: Approval	Approved Unanimously
8-16	KODIAK ELECTRIC ASSOC., INC. (Kodiak	1/15	Power Cost Assistance Staff Recommendation: Approval	Approved Unanimously

AGENDA December 18, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
82-16	KODIAK ELECTRIC ASSOC., INC. (Port Lions)	1/15	Power Cost Assistance Approval as adjusted on an interim basis, Staff Recommendation: Subject to audit.	Approved Unanimously
			Staff Recommendation:	
1-278	ALASCOM, INC. (St. Paul)	1/27	Rule for taxes imposed on utility for direct charge to subscribers Staff Recommendation: Approval	Approved Unanimously
163-15	JUNEAU & DOUGLAS TELEPHONE COMPANY	12/18	Rates for the SL-1 for the State of Alaska Staff Recommendation: Interim approval and suspension	Interim Approval and Suspension Unanimously
157-120	ANCHORAGE TELEPHONE UTILITY	12/21	Rates for Infotron Statistical Multiplex Equipment Staff Recommendation: Approval	Approved Unanimously
155-2	ALASKA POWER & TELEPHONE	1/4	Delinquent Account Carrying Charge Staff Recommendation: Approval	Approved Unanimously

* Not available

AGENDA December 18, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
13-31	NATIONAL UTILITIES, INC.	1/4	Delinquent Account Carrying Charge Staff Recommendation: Approval	Approved Unanimously
121	ANCHORAGE MUNICIPAL LIGHT & POWER	1/25	Gas Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
16-44	MCGRATH LIGHT & POWER	12/21	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
11-5	ANIAK LIGHT & POWER	1/4	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
			Staff Recommendation:	
19-96	BETTLES LIGHT & POWER	1/20	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously

AGENDA December 18, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
17-24	PELICAN UTILITY CO. (Pelican)	1/20	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
-10	COPPER VALLEY ELEC- TRIC ASSOC., INC. (Valdez)	1/21	Fuel Cost Rate Adjustment & Power Production Assistance Staff Recommendation: Approval	Approved Unanimously
46-43	BETHEL UTILITIES CORP., INC.	1/25	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
U-80-79	ILIAMNA-NEUHALEN ELECTRIC COOP., INC.		New Tariff Staff Recommendation: Approval	HELD
U-79-41	MATANUSKA TELEPHONE ASSOC., INC.	10/4	Compliance w/order Staff Recommendation: Approval	Approved Unanimously
U-79-79	BETHEL UTILITIES CORP., INC.	12/30	Compliance w/order Staff Recommendation: Approval	Approved Unanimously
			* Not available	

AGENDA December 13, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
U-81-78	ANCHORAGE WATER UTILITY	1/8	Compliance w/order Staff Recommendation: Approval	Approved Unanimously
TA99-19	MATANUSKA TELEPHONE ASSOC., INC.	1/17	Compliance w/order Staff Recommendation: Approval	Approved Unanimously
TA24-126	ANCHORAGE SEWER UTILITY	1/10	Compliance w/order Staff Recommendation: Approval	HELD
			Staff Recommendation:	
			Staff Recommendation:	
			Staff Recommendation:	

* Not available

COMMISSION TARIFF ACTION MEETING

Commissioners: Guess
Weatherly
Knowles
Snowden

No. 358

AGENDA December 24, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
206-98	ALASCOM, INC.	12/24	New Rate Development Factors Staff Recommendation: Suspension	HELD
	NAPASKIAK		Power Cost Assistance Staff Recommendation: Approval on an interim basis pending audit	Approved on an Interim Basis Unanimously
2	TAKOTNA VILLAGE COMMUNITY ASSOC.	12/31	Power Cost Assistance Staff Recommendation: Approval on an interim basis pending audit	Approved on an Interim Basis Unanimously
4D-22	NAKNEK ELECTRIC ASSOCIATION, INC.	1/10	Power Cost Assistance Staff Recommendation: Approval as adjusted on an interim basis, pending audit	Approved on an Interim Basis Unanimously
39-63	FORT YUKON UTILITIES	1/11	Interim and Permanent Rate Increase Staff Recommendation: Grant Interim & Suspend Permanent	Approved Interim & Suspended Permanent Unanimously
40-63	FORT YUKON UTILITIES	1/13	Power Cost Assistance Staff Recommendation: Approval as adjusted on interim basis, pending audit	Approved on an Interim Basis Unanimously

* Not available

COMMISSION TARIFF ACTION MEETING

Commissioners: Guess
Weatherly
Knowles
Snowden

No. 359

AGENDA December 24, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
30-4	ALASKA GAS & SERVICE	12/28	Interim Rate Increase Staff Recommendation: Grant Interim	Approved Interim w/Comm. Weatherly Dis-senting
U-80-75	INTERIOR TELEPHONE COMPANY	1/27	Compliance w/order Staff Recommendation: Approval	Approved Unanimously
U-81-32	MATANUSKA ELECTRIC ASSOCIATION, INC.	1/25	Compliance w/order Staff Recommendation: Approval	Approved Unanimously
U-81-87	KODIAK ELECTRIC ASSOCIATION, INC.	1/27	Compliance w/order Staff Recommendation: Approval	Approved Unanimously
			Staff Recommendation:	
			Staff Recommendation:	

Not available

COMMISSION TARIFF ACTION MEETING

Commissioners: Guess
Weatherly
Knowles
Hall
Snowden

No. 360

AGENDA January 8, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
39-53	YAKUTAT POWER, INC.	2/3	Power Cost Assistance Staff Recommendation: Approval of a Reduced PCA	Approved Unanimously
41	VALLEY WATER COMPANY	1/20	Interim and Permanent Rate Increase Staff Recommendation: Grant Interim & Suspend Permanent	Approved Interim and Suspended Permanent Unanimously
27-18	MATANUSKA ELECTRIC ASSOCIATION, INC.	2/1	Wholesale Power Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
24-230	PELICAN UTILITY COMPANY (Sand Point)	waived	Fuel Cost Rate Adjustment Staff Recommendation: Approval on an Interim Basis	Approved Unanimously
25-230	PELICAN UTILITY COMPANY (Sand Point)	2/3	Fuel Cost Rate Adjustment Staff Recommendation: Approval on an Interim Basis	Approved Unanimously
189-2	ALASKA POWER & TELE- PHONE (Kagway)	1/27	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously

* Not available

AGENDA January 8, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
190-2	ALASKA POWER & TELEPHONE (Tok)	1/27	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
191-2	ALASKA POWER & TELEPHONE (Craig)	1/27	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
192-2	ALASKA POWER & TELEPHONE (Hydaburg)	1/27	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
114-1	ALASKA ELECTRIC LIGHT & POWER	2/3	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
5-227	ARCTIC UTILITIES, INC.	2/1	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
U-80-24	TELEPHONE UTILITIES OF ALASKA, INC. (Ft. Wainwright)	1/29	Compliance w/order Staff Recommendation: Approval	Approved Unanimously

AGENDA January 8, 1981

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
24-126	ANCHORAGE SEWER UTILITY	1/10	ASU letters (response to letter order) re military accounts Note: this item held over from 12/18/81 TA meeting Staff Recommendation: Clarifying letter order be issued	Approved Unanimously
4d-3	GENERAL TELEPHONE COMPANY OF ALASKA	1/25	Compliance w/letter order Staff Recommendation: Approval	Approved Unanimously
U-31-99	BETTLES LIGHT & POWER	2/3	Compliance w/order Staff Recommendation: Approval	Approved Unanimously
			Staff Recommendation:	
			Staff Recommendation:	
			Staff Recommendation:	

* Not available

Commiss
COMMISSION TARIFF ACTION MEETING

No. 363

AGENDA January 25, 1982

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 Snowden

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
10-92	Tanana Power Co.	2/19	Power Cost Assistance Staff Recommendation: Approval	Approved Unanimously
1D-106	City of Unalaska	2/8	Power Cost Assistance Staff Recommendation: Approval of higher PCA than requested	Approved Unanimously
4D-22	Naknek Electric Association, Inc. (Naknek)	1/10	Power Cost Assistance Staff Recommendation: Correction of PCA amount	Correction Approved Unanimously
31-4	Alaska Gas and Service	2/16	Purchased Gas Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
9-92	Tanana Power Company	1/29	Rules and Regulations Changes: Billing and Collection, Line Extensions, Service Connections. Staff Recommendation: Approval in part and interim approval in part	Suspended and Allowed to go into effect on an Interim Basis w/ Comm. Weatherly Dissenting
18-44	McGrath Light & Power	2/19	Billing Form Changes Staff Recommendation: Approval	HELD

AGENDA January 25, 1982

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
41-121	Anchorage Municipal Light & Power	2/25	Gas Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
115-1	Alaska Electric Light & Power	3/1	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
U-81-101	Alaska Gas & Service	2/29	Compliance w/order Staff Recommendation: Approval	Approved Unanimously
"-81-81	Yakutat Power, Inc.	2/26	Compliance w/order Staff Recommendation: Approval	Approved Unanimously
45-43	Bethel Utilities Corporation, Inc.	2/22	Compliance w/letter order Staff Recommendation: Approval	Approved Unanimously
U-81-14	Homer Electric Association, Inc.	2/17	Compliance w/order Staff Recommendation: Approval	Approved Unanimously

* NOT available

AGENDA January 25, 1982

TA No. UTILITY NAME 45/day SUBJECT MATTER AND STAFF RECOMMENDATION ACTION TAKEN

54-14	Haines Light & Power	3/1	Compliance w/letter order Staff Recommendation: Approval	Approved Unanimously
			Staff Recommendation:	
			Staff Recommendation:	
			Staff Recommendation:	
			Staff Recommendation:	
			Staff Recommendation: * Not available	

COMMISSION TARIFF ACTION MEETING

Commissioners: Guess
Weatherly
Knowles
Hall
Snowden

No. 366

AGENDA February 11, 1982

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
46-88	NORTHERN POWER & ENGINEERING CORP.	3/1	Power Cost Assistance Staff Recommendation: Approval	Approved Unanimously
208-98	ALASCOM, INC.	3/22	Deletion of Eagle Village from list of locations where Private Direct Toll Access Line Service is provided Staff Recommendation: Approval	Approved Unanimously
24-b	CHUGACH ELECTRIC ASSOCIATION, INC.	2/16	Underground Line Extension Differential Staff Recommendation: Approval	Approved Unanimously
117-1	ALASKA ELECTRIC LIGHT & POWER CO.	3/15	Deletion of 3% Franchise Tax for customers in the City of Juneau Staff Recommendation: Approval	Approved Unanimously
116-1	ALASKA ELECTRIC LIGHT & POWER CO.	3/17	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
93-2	ALASKA POWER & TELEPHONE (Skagway)	3/4	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously

* Not available

COMMISSION TARIFF ACTION MEETING

NO. 507

AGENDA February 11, 1982

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
194-2	ALASKA POWER & TELEPHONE (Tok)	3/8	Fuel Cost Rate Adjustment Staff Recommendation: Approval	Approved Unanimously
13-24	PELICAN UTILITY CO. (Pelican)	3/19	Fuel Cost Rate Adjustment Approval of a Reduced Surcharge: Refund on Staff Recommendation: next properly calculated surcharge	Approved Unanimously
U-81-18	TANANA POWER CO.	2/19	Compliance w/Order Staff Recommendation: Approval	Approved Unanimously
U-82-3	FORT YUKON UTILITIES	2/26	Compliance w/Order Staff Recommendation: Approval	Approved Unanimously
U-81-89	PELICAN UTILITY CO. (Sand Point)	3/17	Compliance w/Order Staff Recommendation: Approval	Approved Unanimously
			Staff Recommendation: * Not available	

COMMISSION TARIFF ACTION MEETING

Weatherly
Knowles
Hall
Snowden

No. 368

AGENDA February 26, 1982

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
27-230	Pelican Utility Company (Sand Point)	3/19	Power Cost Assistance Staff Recommendation: Approved of higher PCA than requested.	Approval Unanimously
154-49	Glacier State Telephone Company	3/3	Interim Rate Increase Staff Recommendation: Grant Interim	HELD
			Staff Recommendation:	
207-98	Alascom, Inc.	3/8	Transportable Earth Stations Staff Recommendation: Suspension if TA206-98 is suspended; otherwise, approval	Interim Approval & Suspension Unanimously
81-19	Matanuska Telephone Association, Inc.	Waived	Rates for Remote Display Unit for Golden Valley Electric Association, Inc., Healy Power Plant Mitel SX-20 Staff Recommendation: Approval	Approval Unanimously
42-121	Anchorage Municipal Light & Power	3/26	Gas Cost Rate Adjustment Staff Recommendation: Approval; open docket to investigate methodology * Not available	Approval and open Docket Unanimously

AGENDA February 26, 1982

TA No.	UTILITY NAME	45/day	SUBJECT MATTER AND STAFF RECOMMENDATION	ACTION TAKEN
47-43	Bethel Utilities Corporation, Inc.	3/24	Fuel Cost Rate Adjustment and Power Cost Assistance Adjustment Staff Recommendation: Approval	Approval Unanimously
40-53	Yakutat Power, Inc.	4/1	Fuel Cost Rate Adjustment and Power Cost Assistance Adjustment Staff Recommendation: Approval	Approval Unanimously
26-230	Pelican Utility Company (Sand Point)	3/8	Fuel Cost Rate Adjustment Staff Recommendation: Suspension & Interim Approval	Approval Unanimously
U-82-2	Valley Water Company	3, 24	Compliance with Order Staff Recommendation: Approval	Approval Unanimously
U-81-54	Pelican Utility Company (Sand Point)	3/26	Compliance with Order Staff Recommendation: Approval	Approval Unanimously
U-81-29	Anchorage Telephone Utility	N/A	Supplemental Filing Staff Recommendation: Approval	Approval Unanimously

* Not available

y's fees

ALASKA PUBLIC UTILITIES COMMIS-
SION and the Municipality of Anchorage, d/b/a Municipal Light and Power Department, Appellants,

v.

CHUGACH ELECTRIC ASSOCIATION,
INC., Appellee.

CHUGACH ELECTRIC ASSOCIATION,
INC., Cross-Appellant,

v.

ALASKA PUBLIC UTILITIES COMMIS-
SION and the Municipality of Anchorage, d/b/a Municipal Light and Power Department, Cross-Appellees.

Nos. 2969, 2993.

Supreme Court of Alaska.

May 26, 1978.

Electric utility corporation appealed from order of the Public Service Commission which assigned fixed service areas to corporation and to city light and power department within area served by both. The Superior Court, Third Judicial District, Eben H. Lewis, J., held that there was insufficient evidence to support conclusions in Commission's order and remanded matter to Commission for reconsideration, and city light and power department appealed and utility corporation cross-appealed. The Supreme Court, Burke, J., held that: (1) in light of statute providing that all certificates of convenience and necessity issued before July 1, 1970 would be subject to modification, general saving statute did not preserve any right which electric utility corporation might have had, prior to order of Commission, to continue providing electric service, and failure of Commission to find existence of such right did not deny utility corporation due process; (2) portion of order establishing fixed service areas for utility corporation and city light and power department within area served by both had a reasonable basis, and (3) portion of order providing for retirement and transfer of facilities from utility corporation to city

light and power department in those areas where the two utilities were operating duplicate and parallel facilities lacked a reasonable basis and would be remanded to Commission for further evidence.

Remanded.

1. Statutes \Rightarrow 277

General saving statute will save rights and remedies except where subsequent repealing act indicates that it was not intention of legislature that particular remedies and rights in question should be saved. AS 01.10.100.

2. Constitutional Law \Rightarrow 296(1)
Electricity \Rightarrow 4

In light of statute providing that all certificates of convenience and necessity issued before July 1, 1970 would be subject to modification in areas of conflict with public utilities that had not previously been required to have a certificate, general saving statute did not preserve any right to continue providing service which electric utility corporation, which was operating in same area as city light and power department and which had been issued certificate of convenience and necessity to do so in 1963, may have had prior to Public Service Commission order assigning fixed service areas to corporation and to city department; thus, corporation was not denied due process by failure of Commission to find existence of such right. AS 01.10.100, 42.05.221; AS 42.05.193, 42.05.194, 42.05.196, Laws 1963, c. 95.

3. Administrative Law and Procedure \Rightarrow 790

In cases where decision involves administrative expertise as to either complex subject matter or fundamental policy formulations, deference should be given to administrative determination if it has reasonable basis in law and fact; such deference is given because agency is in better position to make such a determination than court because of agency's specialized knowledge in a field. AS 44.62.570.

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4. Electricity ⇐4

On appeal from order of Public Service Commission assigning fixed areas to electric utility corporation and to city light and power department within area served by both pursuant to statutes empowering Commission to take appropriate action to eliminate competition and duplication of facilities in areas where two or more public utilities are competing to furnish identical services, appropriate standard of review, in light of complex financial and engineering determinations involved and considerable expertise required, was reasonable basis test. AS 42.05.221(d), 44.62.570.

5. Electricity ⇐4

Since Supreme Court, on appeal from order of Public Service Commission assigning fixed service areas to electric utility corporation and to city light and power department within area served by both, was to review case independently of determination made by superior court, which had acted as intermediate court of appeal, Supreme Court would not need to decide whether lower court erroneously relied upon alleged misrepresentation of electric utility corporation regarding statement made by public service commissioner. AS 42.05.221(d), 44.62.570.

6. Electricity ⇐4

On appeal before Supreme Court from order of Public Service Commission assigning fixed areas to electric utility corporation and to city light and power department within area served by both, affidavit by president of engineering company, which had been submitted by electric utility corporation to Commission as part of its petition for reconsideration, was properly before Supreme Court not as evidence, but as part of corporation's argument that Commission order did not have reasonable basis. AS 42.05.221(d).

7. Electricity ⇐4

Portion of order of Public Service Commission establishing fixed service areas for electric utility corporation and city light and power department within area previously served by both, pursuant to statute

empowering Commission to take appropriate action to eliminate competition and duplication of facilities in areas where two or more public utilities are competing to furnish identical services, allocated service areas in such a way as to resolve competing interests of corporation and light and power department and public they served, and had reasonable basis. AS 42.05.221(d).

8. Electricity ⇐4

Portion of order of Public Service Commission, entered pursuant to statute empowering Commission to take appropriate action to eliminate competition and duplication of facilities in areas where two or more public utilities are competing to furnish identical services, providing for retirement and transfer of facilities from electric utility corporation to city light and power department in those areas where those two utilities were operating duplicate and parallel facilities, lacked a reasonable basis and would require remand to Commission for further evidence regarding retirement and transfer of such facilities. AS 42.05.221(d).

Jeffrey B. Lowenfels, Asst. Atty. Gen., Anchorage, Avrum M. Gross, Atty. Gen., Juneau, for appellant and cross-appellee, Alaska Public Utilities Commission.

Peter C. Ginder, Asst. Municipal Atty., Karen D. Nagel, Associate Counsel, Richard W. Garnett, III, Municipal Atty., Anchorage, for appellant and cross-appellee, Municipality of Anchorage.

William J. Moran, Anchorage, for appellee and cross-appellant.

Before BOOCHEVER, Chief Justice, and CONNOR and BURKE, Justices.

OPINION

BURKE, Justice.

This appeal and cross-appeal require us to review a determination of the Alaska Public Utilities Commission (hereinafter referred to as the Commission) regarding the delineation of service area boundaries of the Municipal Light and Power Department

of the Municipality of Anchorage after referred to as Chugach Electric Utility Corporation referred to as Chugach.

The present case arose seven years ago when the Commission before the Supreme Court in the case of public utility service areas pursuant to AS 42.05.221(d) was granted authority to take action throughout a service area and immediately thereafter the Municipality of Anchorage was operating an electric generation, transmission and distribution facilities for which no provision was made in the AS 42.05.221(d).

After reviewing the Commission's determination, the Supreme Court determined that the facilities were being operated by Chugach, which had a certificate of public utility granted to it by the Commission provides that when two public utilities are competing to furnish service and that this is in the public interest, the

1. AS 42.05.221 provides that a certificate of public utility may operate and provide a certificate of public utility on or after January 1, 1971 with the certificate of public utility from the commission and necessary revenue. Where a certificate of public utility is granted in it, the services involved are authorized area of public utility.

(c) A certificate of public utility which was granted before July 1, 1971 shall have no effect after the commission that the certificate is in good standing in good faith there are areas of public utility or where there is a change in circum-

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of the Municipality of Anchorage (hereinafter referred to as ML&P) and the Chugach Electric Association (hereinafter referred to as Chugach).

The present controversy began nearly seven years ago when ML&P filed an application before the Commission for a certificate of public convenience and necessity pursuant to AS 42.05.221.¹ ML&P requested authority to furnish electric service throughout a service area situated within and immediately adjacent to the then City of Anchorage. At the time of filing, ML&P was operating an extensive network of electric generation, transmission, and distribution facilities for which Commission certification was not required prior to January 1, 1971.

After reviewing ML&P's application, the Commission determined that identical services were being offered in many instances by Chugach, which was operating under a certificate of public convenience and necessity granted to it in 1963. AS 42.05.221(d)² provides that where the Commission determines that two or more public utilities are competing to furnish identical utility service and that this competition is not in the public interest, the Commission is to take

appropriate action to eliminate the competition and any undesirable duplication of facilities. Pursuant to this section, the Commission issued Order No. 1 on March 11, 1971, seeking the advice and assistance of ML&P and Chugach in implementing a plan to eliminate such competition and duplication.

In response to Order No. 1, ML&P and Chugach filed briefs outlining their respective views as to how the Commission should proceed. Both parties submitted proposed orders to establish a negotiating committee that would allow the utilities to reach agreement on a voluntary basis. On August 31, 1971, the Commission by Order No. 9 established the requested negotiating committee, composed of members from each of the utilities and one Commission staff member who was to serve as a coordinating chairman. The Commission also established interim service areas during this period.

After several months of negotiations the parties' efforts to reach agreement proved unsuccessful. The Commission then ordered each party to submit, among other things, proposed solutions to the service area dispute. Upon reviewing the proposed

1. AS 42.05.221 provides in relevant part:

Certificates required. (a) No public utility may operate and receive compensation for providing a commodity or service after January 1, 1971 without first having obtained from the commission under this chapter a certificate declaring that public convenience and necessity require or will require the service. Where a public utility provides more than one type of utility service, a separate certificate of convenience and necessity is required for each type. A certificate shall describe the nature and extent of the authority granted in it, including, as appropriate for the services involved, a description of the authorized area and scope of operations of the public utility.

(c) A certificate shall be issued to a public utility which was not required to have one before July 1, 1970, and which is required to have one after that date, if it appears to the commission that the utility was actually operating in good faith on that date. Such a certificate is subject to modification where there are areas of conflict with other public utilities or where there has been a substantial change in circumstances.

2. AS 42.05.221(d) states:

If an area where the commission determines that two or more public utilities are competing to furnish identical utility service and that this competition is not in the public interest, the commission shall take appropriate action to eliminate the competition and any undesirable duplication of facilities. This appropriate action may include, but is not limited to, ordering the competing utilities to enter into a contract which, among other things would:

- (1) delineate the service area boundaries of each in those areas of competition;
- (2) eliminate existing duplication and paralleling to the fullest reasonable extent;
- (3) preclude future duplication and paralleling;
- (4) provide for the exchange of customers and facilities for the purposes of providing better public service and of eliminating duplication and paralleling; and
- (5) provide such other mutually equitable arrangements as would be in the public interest.

recommendations by each utility, the Commission concluded that neither plan provided an equitable solution to the problem.

On September 19, 1972, public hearings were commenced to afford both ML&P and Chugach the opportunity to augment their written filings and to cross-examine the other party on its proposal. Extensive testimony was taken, following which the parties submitted additional briefs. On September 27, 1973, the Commission issued Order No. 19 which, among other things, assigned firm, fixed service areas to each of the utilities. It is this Order, as amended by Order No. 20, which led to these appeals.

Pursuant to 3 AAC 48.090(e),³ Chugach, on December 3, 1973, petitioned the Commission for reconsideration of Order No. 19 and for the re-opening of the proceedings to receive additional evidence. No action was taken on the petition for 30 days and thus it was automatically denied under 3 AAC 48.090(e).

On February 1, 1974, Chugach gave notice of its appeal to the superior court from Order No. 19, as amended by Order No. 20. On April 30, 1976, oral argument was heard before the superior court. At the close of the proceedings the trial court held that there was insufficient evidence to support the Commission's conclusions in Order No. 19 and remanded the matter to the Commission for reconsideration. This appeal and cross-appeal followed. We will discuss the issues raised in Chugach's cross-appeal first.

CROSS-APPEAL

The service area granted to ML&P by the Commission in Order No. 19 included sever-

3. 3 AAC 48.090(e) provides:

Within 15 days after an order of the commission is served, a party may file a petition for reconsideration of the order that is served setting forth specifically the grounds upon which the petitioner believes the order is unreasonable, erroneous, unlawful or otherwise defective. The petitioner may also submit a proposed order designed to cure the alleged defects of the commission's order. A party opposing a petition for reconsideration shall have 10 days in which to respond. The commission's power to order reconsideration expires 30 days after the date that the order

al areas which had been granted to Chugach in its 1963 certificate of public convenience and necessity. These areas were within the corporate limits of the former City of Anchorage where the two utilities were operating duplicate or parallel electrical facilities. In its cross-appeal, Chugach claims that its right to provide service within its certificated area is a vested property interest which was improperly taken without due process of law when the Commission granted to ML&P the right to offer service within portions of Chugach's certificated service area. In order to adequately set out Chugach's claim and resolve this question, it is first necessary for us to outline briefly the statutory history of pertinent portions of what is now entitled the Alaska Public Utility Commission Act (hereinafter referred to as the Act).

Utility regulation on a statewide basis in Alaska first became a reality upon passage, by the first state legislature, of Chapter 199, SLA 1959. This act established the Alaska Public Service Commission. However, its application to electric, telegraphic and telephonic utilities was held in abeyance pending submission of a report to the legislature by the newly formed Commission.

In 1963, AS 42.05 et seq. was amended in several respects by Chapter 95, SLA 1963. AS 42.05.193 required for the first time that certificates be obtained. That section stated:

Certificates of Convenience and Necessity. No public utility shall operate after January 1, 1964, without first having

designated in the petition for reconsideration is served on the petitioner. If the commission takes no action on a petition for reconsideration within the time allowed for ordering reconsideration, the petition is automatically denied. The commission may order reconsideration of all or part of the record in a proceeding and any additional evidence and argument it may permit either in writing or orally. The mere filing of a petition for reconsideration does not excuse the petitioning party from compliance with a decision or order of the commission.

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obtained from the commission under the provisions of this chapter a certificate declaring that public convenience and necessity require or will require the operation and delineating the area where service is to be provided.

AS 42.05.194, however, granted "grandfather rights" to those utilities then operating:

Certificates Granted to Existing Utilities. A Certificate shall be granted if it appears to the commission that the public utility was actually operating in good faith on October 15, 1962, within the confines of the requested area, or that the public utility was installing the facilities necessary to furnish service under a franchise as of that date.

It was under this section of the 1963 Act that Chugach obtained its certificate.

In requiring public utilities to obtain certificates in order to operate, the legislature also added the following provision, AS 42.05.196, upon which Chugach places great reliance:

Power of Commission to Grant Certificate. The commission shall have the power after hearing, upon reasonable notice to interested parties, to grant a certificate to provide service in an area already served by a certificate holder only when the existing public utility or utilities serving the area are not providing, and will not provide service to the satisfaction of the commission. In all other cases, the commission with or without hearing may issue a certificate as requested or for good cause shown deny the same in whole or part.

In addition, AS 42.05.610(2) was amended to exclude municipally-owned utilities from regulation under the Act. It was this provision which allowed ML&P to furnish electrical services without a certificate of public convenience and necessity at that time.

4. See notes 1 and 2 *supra* for relevant parts.

5. AS 42.05.271 states in pertinent part.
Modification, suspension or revocation of certificates. Upon complaint or upon its own motion the commission, after notice and opportunity for hearing and for good cause

The statutes regulating public utilities were again amended in 1970, pursuant to Ch. 113, SLA 1970. Several extensive changes are relevant to this appeal. The definition of "public utility" or "utility" was amended to include municipally-owned utilities. AS 42.05.701(2). As a result of this, municipally-owned utilities, including ML&P, were required to obtain certificates of convenience and necessity in order to operate. In addition, AS 42.05.194, AS 42.05.195 and AS 42.05.196, quoted above, were repealed.

In place of those repealed sections, AS 42.05.221 was enacted.⁴ This statute requires public utilities to obtain certificates of convenience and necessity as a condition of operation. Subsection (c) gave "grandfather rights" to existing utilities newly subject to regulation. Subsection (b), which is significant in the instant case, provides:

All certificates of convenience and necessity issued to a public utility before July 1, 1970 remain in effect but they are subject to modification where there are areas of conflict with public utilities that have not previously been required to have a certificate or where there is a substantial change in circumstances.

This subsection was supplemented by AS 42.05.271, which provides for the modification, suspension or revocation of certificates for several listed reasons, including the requirements of public convenience and necessity.⁵

Within the context of this statutory history, Chugach's claim on cross-appeal can now be more fully understood. At the time Chugach was certificated, AS 42.05.196, quoted above, provided that a competing utility could be certificated in the same area as a certificate holder only if the certificate holder did not and would not furnish service in that area to the satisfaction

shown, may amend, modify, suspend, or revoke a certificate, in whole or in part. Good cause for amendment, modification, suspension or revocation of a certificate includes

(1) the requirements of public convenience and necessity;

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of the Commission. Chugach contends that its right to provide electrical service within its certificated area became a vested right at the time of its certification, subject to divestment only if its service in that area was unsatisfactory to the Commission under AS 42.05.196. Because this right vested prior to the repeal of AS 42.05.196 in 1970, Chugach argues it is still entitled to the application of that section of the statute under Alaska's general saving statute, AS 01.10.100.⁶ Thus, Chugach maintains, the Commission denied Chugach its right to due process with regard to its vested property interest when it granted ML&P the right to serve portions of Chugach's certificated area without first finding that Chugach had not and would not perform satisfactorily in that area.

In order to sustain Chugach's claim, we must first find that Chugach's 1963 certificate gave it a vested right to provide service in its certificated area barring a finding by the Commission that its services were unsatisfactory. Then we must find that this right was preserved under the Alaska saving statute despite the repeal of these sections in the former Act upon which this right depends. We conclude that the saving statute does not preserve any accrued right which Chugach may have had and thus it is unnecessary for us to determine whether in fact Chugach did have such a right.

AS 01.10.100(a) provides in relevant part: The repeal or amendment of any law does not release or extinguish any . . . right accruing or accrued under such law, unless the repealing or amending act so provides expressly. The law shall be treated as remaining in force for the purpose of sustaining any proper action or prosecution for the enforcement of the right . . .

6. AS 01.10.100 provides in relevant part: *Effect of repeal or amendments.* (a) The repeal or amendment of any law does not release or extinguish any penalty, forfeiture, or liability incurred or right accruing or accrued under such law, unless the repealing or amending act . . . provides expressly. The

We note that the term "right" has been construed to mean a vested right and that vested property rights are protected from state action under the Fourteenth Amendment of the United States Constitution and Art I, section 7, of the Alaska Constitution. *Bidwell v. Scheele*, 355 P.2d 584, 586 (Alaska 1960).

[1, 2] The law regarding general saving statutes was succinctly stated by the court in *Territory of Alaska v. American Can Company*, 137 F.Supp. 181, 16 Alaska 71, 76 (1956),⁷ as follows:

It is a fundamental rule of statutory construction that a general saving clause or statute preserves rights and liabilities which have accrued under the act repealed and that they operate to make applicable in designated situations the law as it existed before the repeal, *unless such application is negatived by the express terms or clear implication of a particular repealing act*, or where not otherwise provided by the repealing act. (emphasis in original).

The saving statute in effect at that time was somewhat different from the present one but the court's statement accurately reflects the general rule. As stated in Sutherland, *Statutory Construction* (4th ed. C.D. Sands 1973), a general saving statute will save rights and remedies "except where a subsequent repealing act indicates that it was not the legislative intention that particular rights and remedies should be saved." *Id.* at § 47.13. See *Summit Bench, Inc. v. Glander*, 153 Ohio St. 147, 91 N.E.2d 10, 11-12 (1950); *State v. Chicago Great Western Ry. Co.*, 222 Minn. 504, 25 N.W.2d 294, 297-98 (1946).

Section 5 of Ch. 113, SLA 1970, specifically repealed AS 42.05.193, AS 42.05.194 and AS 42.05.196, the sections on which Chugach's claimed property right depends. In

law shall be treated as remaining in force for the purpose of sustaining any proper action or prosecution for the enforcement of the right, penalty, forfeiture, or liability.

7. 147 F.2d 493, 17 Alaska 289 (8th Cir. 1947), *rev'd on other grounds* 355 U.S. 224, 79 S.Ct. 274, 31 E.2d 297 (1950).

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their place the legislature enacted AS 42-05.221.⁸ Subsection (b), which was noted above, states as follows:

All certificates of convenience and necessity issued to a public utility before July 1, 1970 remain in effect but they are subject to modification where there are areas of conflict with public utilities that have not previously been required to have a certificate or where there is a substantial change in circumstances. (emphasis added).

It is clear that the emphasized portion of this subsection specifically addresses itself to a situation such as the present one, i. e., where a previously certificated utility (Chugach) is providing service in an area where a utility which has not previously been required to be certificated (ML&P) is also furnishing electric service. The legislature has decreed that the certificate of the previously certificated utility may be modified where such a conflict exists. By this statement the legislature clearly has extinguished whatever right Chugach may have had to continue providing service unless it was doing so unsatisfactorily and in its place the legislature has determined that the existence of a conflict with a municipally-owned utility in itself provides a sufficient ground for modification of a previously granted certificate. Assuming, *arguendo*, that Chugach did have the vested property right it has claimed, the legislature's mandate in the very situation presented here is clear. In enacting AS 42.05.221(b) the legislature indicated its intention that any right afforded certificated utilities un-

8. See notes 1 and 2 for relevant parts.

9. In its statement of issues presented for review and in its conclusion, Chugach suggests that its certificate of public convenience and necessity is a franchise or contract which is entitled to constitutional protection against impairment. However, because Chugach does not argue this issue beyond a passing reference to it in the argument portion of its brief, we do not consider the issue on review. See *Kristich v. State*, 550 P.2d 796, 804 (Alaska 1976); *Lewis v. State*, 469 P.2d 689, 691-92 n. 2 (Alaska 1970).

10. AS 44.62.570 provides in part:

der the old AS 42.05.196 was not saved. We hold, therefore, that the saving statute, AS 01.10.100, does not preserve any right Chugach may have had to continue providing electrical service unless it was not providing or would not provide service to the satisfaction of the Commission. Chugach, therefore, has not been denied due process by the Commission's failure to make such a finding.⁹

APPEAL

Appellants ML&P and the Commission's first argument on appeal is that the superior court used an incorrect standard of review in reaching its decision to remand the case to the Commission. The Commission argues that the lower court improperly substituted its judgment for that of the Commission while ML&P contends that the lower court improperly applied the substantial evidence test. Both parties maintain that the proper standard of review is the reasonable basis test.

At the outset we note that it is unclear from a reading of the superior court's oral decision which standard of review it applied. This lack of clarity is not significant, however, for we approach the issues here independently of the superior court which was acting as an intermediate court of appeal. *Jager v. State*, 537 P.2d 1100, 1106 (Alaska 1975); *State v. Marathon Oil Company*, 528 P.2d 293, 298 (Alaska 1974).

[3,4] This court has enunciated several standards of review of agency action under AS 44.62.570,¹⁰ the section of the Alaska

Scope of review. (a) An appeal shall be heard by the superior court sitting without a jury.

(b) Inquiry in an appeal extends to the following questions: (1) whether the agency has proceeded without, or in excess of jurisdiction, (2) whether there was fair hearing; and (3) whether there was prejudicial abuse of discretion. Abuse of discretion is established if the agency has not proceeded in the manner required by law, the order or decision is not supported by the findings, or the findings are not supported by the evidence.

(c) The court may exercise its independent judgment on the evidence. If it is claimed that the findings are not supported by the

Administrative Procedure Act governing scope of review. We do not find it necessary to discuss each of the various standards at this time, however, for it is clear that the appropriate standard of review in the instant case is the reasonable basis test.¹¹ In *Kelly v. Zamarello*, 486 P.2d 906, 916-17 (Alaska 1971), we set forth this test as follows: In cases where a decision involves administrative expertise as to either complex subject matter or fundamental policy formulations, deference should be given to an administrative determination if it has a reasonable basis in law and fact.¹² Such deference is given because the agency is in a better position to make such a determination than a court because of the agency's specialized knowledge in a field. In the instant case, it is readily apparent that the delineation of electrical service areas involves complex financial and engineering determinations and requires considerable expertise in these areas. In addition, fundamental policy formulations are involved in the Commission's task of eliminating undesirable competition and duplication of facilities under AS 42.05.221(d). It is difficult, in fact, to conceive of a situation where the reasonable basis test is more appropriate. Therefore, we limit our review in this case to deciding whether the Commission's action in Order No. 19, as amended, has a reasonable basis in law and fact.

evidence, abuse of discretion is established if the court determines that the findings are not supported by (1) the weight of the evidence, or (2) substantial evidence in the light of the whole record.

(d) The court may augment the agency record in whole or in part, or hold a hearing de novo. If the court finds that there is relevant evidence which, in the exercise of reasonable diligence, could not have been produced or which was improperly excluded at the hearing, the court may (1) enter judgment as provided in (e) of this section and remand the case to be reconsidered in the light of that evidence; or (2) admit the evidence at the appellate hearing without remanding the case.

(e) The court shall enter judgment setting aside, modifying, remanding, or affirming the order or decision, without limiting or controlling in any way the discretion legally vested in the agency.

[5] Before we can make this determination, however, it is necessary for us to deal with several other issues raised by appellants. Both ML&P and the Commission argue on appeal that the trial court erred in relying on Chugach's alleged misrepresentation regarding a "Statement of Position" by Mr. Hendershot, one of the commissioners involved in Order No. 19. This statement explained why no action was taken on Chugach's petition for reconsideration and set forth certain problems Mr. Hendershot saw in Order No. 19. Since, as noted above, we review this case independently of the superior court, we need not decide whether the lower court erroneously relied on the alleged misrepresentation.

[6] Appellants also argue that the superior court erred in considering an affidavit by T. Foley Treadway, president of the Georgia-based Southern Engineering Company, which Chugach had submitted to the Commission as part of its petition for reconsideration. Again, we need not decide whether the lower court erred in this regard; however, it is necessary for us to determine if and to what extent this court may consider the affidavit.

ML&P and the Commission argue this point somewhat differently, but the gist of their arguments¹³ is that it is improper for

11. For a summary of the different standards of review, see *Jager v. State*, 537 P.2d 1100, 1107 (Alaska 1975).

12. See generally *Jager v. State*, *supra*; *Mobil Oil Corp. v. Local Boundary Commission*, 518 P.2d 92, 99 (Alaska 1974); *Swindel v. Kelly*, 499 P.2d 261 (Alaska 1972); *Pan American Petroleum Corp. v. Shell Oil Co.*, 455 P.2d 12 (Alaska 1969).

13. ML&P also argues that once the Commission failed to give the relief sought in Chugach's petition for reconsideration, the record closed and review is limited to examination of the testimony and exhibits presented at the hearings on Order No. 19. This contention is without merit. AS 44.62.563(c) which determines the contents of the record on judicial review of administrative decisions states:

The complete record includes (1) the pleadings, (2) all notices and orders issued by the

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the reviewing court to consider the Treadway affidavit because the affidavit presents evidence which could have been presented to the Commission before it entered Order No. 19 but which was not presented at that time. Appellants contend that Chugach should not be allowed to introduce new, previously available evidence under this circumstance by simply attaching such evidence to its administrative petition for reconsideration.

In refuting this argument by appellants, Chugach maintains that it did not and does not intend to introduce the Treadway affidavit as evidence, but rather as argument going to prove the unreasonableness as a matter of law of the Commission's Order No. 19. Chugach points out in its brief that had the shortcomings of the order been noted in its memorandum in support of its petition for reconsideration rather than in an affidavit, the appellants would have found no reason to move for its elimination from the record. Submitting the argument in the form that it did, Chugach contends, merely made it more penetrating and convincing. We find Chugach's contention persuasive and therefore hold that the Treadway affidavit is properly before this court on review not as evidence, but as part of Chugach's argument that Order No. 19, as amended, did not have a reasonable basis.

[7] We now turn to the question of whether the Commission's order has a reasonable basis. Order No. 19, as amended, makes two determinations relevant to this appeal: First, it delineates fixed service areas for each utility; second, it provides for the retirement and transfer of facilities from Chugach to ML&P in areas where the two utilities have duplicate or parallel facilities. We will address these components of the order separately, although we realize that the two facets of the order in fact may be related.

agency, (3) the proposed decision by a hearing officer, (4) the final decision, (5) a transcript of all testimony and proceedings, (6) the exhibits admitted or rejected, (7) the written evidence, and (8) all other documents in the case.

Initially, we find it helpful to set out that aspect of the service area delineation which is the major source of contention in this case. Stated briefly, the dispute centers on the Commission's grant to ML&P of virtually all areas within the limits of the former City of Anchorage in which the two utilities were providing duplicate and parallel service. It is not the fact that fixed service areas were established by the order that is in question; rather, it is the Commission's decision regarding the service areas actually assigned which must be reviewed for reasonableness.

After a lengthy recitation of the events leading up to the issuance of its order, including a summary of the proposals submitted by ML&P and Chugach and the testimony presented at the September 1972 hearings, the Commission in Order No. 19 assigned fixed service areas to each of the utilities. Essentially, the Commission awarded ML&P two non-contiguous sub-areas. In one of the sub-areas, ML&P was already the sole supplier of electrical services except for infrequent minor border area penetrations by Chugach. In the other, there was either no present supplier, ML&P was the sole supplier, or Chugach and ML&P were operating duplicate or parallel facilities. Chugach was awarded most of the remaining portions of its certificated service area.

Following its assignment of service areas the Commission provided the following basis for its decision:

In establishing the above service area boundaries between CEA and ML&P, extensive consideration was given to the requirements that ML&P be afforded the necessary opportunity for horizontal growth and that the existing revenue base of CEA be preserved.

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Classification 8, "all other documents in the case," clearly acts to make Chugach's petition, with its attached affidavits, part of the record on review.

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The Commission recognized in assigning ML&P almost all areas within the city in which duplication exists, that without compensating factors the gradual phase out of facilities and customers by CEA would progressively reduce that utility's revenues. Such effect, however, should be offset adequately by CEA's exclusive authorization to serve the rapidly expanding business and residential communities immediately outside ML&P's service boundaries.

In our view, that portion of the Commission's order establishing service areas for Chugach and ML&P had a reasonable basis. Acting pursuant to the mandate of AS 42-05.221(d), the Commission allocated service areas in such a way as to resolve the competing interests of both Chugach and ML&P and the public they serve. Therefore, we affirm that portion of Order No. 19.

[8] As noted above, Order No. 19 also provided for the retirement and transfer of facilities from Chugach to ML&P in those areas where the two utilities were operating duplicate and parallel facilities. The Commission did not order the immediate transfer of Chugach's facilities because it felt that to do so could result in increased rates and would jeopardize Chugach's financial integrity. Instead, the Commission provided that Chugach would be allowed to retain and operate its existing facilities within ML&P's newly-awarded service areas for the "normal life" of these facilities. As these facilities were "retired", ML&P would then be permitted to construct and operate the replacement facilities. In addition, it was provided that Chugach could perform routine and emergency maintenance on its old facilities so long as the maintenance did not constitute an attempt to extend the life of the facility beyond its

14. ML&P contends that Chugach may not challenge the retirement and transfer provisions of Order No. 19 because the Commission specifically limited the scope of the hearings to delimitation of service areas, reserving the transfer issue to a later time. It is contended that Chugach concurred in such a postponement and that therefore Chugach is estopped from

normal life. Finally, the Commission established procedures whereby either utility, when circumstances so dictated, could construct or install additional facilities within the authorized service area of the other utility.

Our examination of the record in this case, particularly of the Treadway affidavit submitted by Chugach in support of its petition for reconsideration, persuades us that these portions of Order No. 19 lack a reasonable basis and that a remand to the Commission is required for further evidence regarding the retirement and transfer of Chugach's facilities to ML&P.¹⁴ In his affidavit, Treadway discusses at great length the inadequacy of the transfer of facilities scheme set out in Order No. 19. At the outset, for example, he points out that it is unclear from the order exactly what the Commission means by retirement of facilities. Theoretically, retirement could occur when the facilities are fully depreciated on Chugach's books or when they physically have no remaining useful life. Furthermore, the term "facilities" could mean either an entire distribution line, circuit or section of a system, or it could mean simply units or components of a system.

More significantly, Treadway asserts that in reality, electrical service facilities are never retired, either actually or on the books. This is because it is necessary to maintain these facilities in good working condition so that they may continue to provide adequate service. Separate components of a distribution system may be retired at a given point due to damage or wear, but they must be replaced for the system to continue in operation. Thus, Treadway points out, not only is an electrical facility never fully retired, but, despite the Commission's order that no replacement or maintenance of a facility be done with

now requesting that the proceeding be reopened for further evidence on this issue. We find it immaterial whether or not the retirement and transfer issues were in fact postponed until a later time since the Commission chose to deal with this problem in Order No. 19.

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AMOCO PRODUCTION CO. v. W. C. CHURCH WELDING Alaska 697

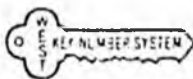
Cite as, Alaska, 560 P.2d 697

the intent to extend its useful life, such replacement or maintenance must necessarily extend the life of the property.

The Treadway affidavit contains many other criticisms of the retirement and transfer provisions of Order No. 19 which we do not feel are necessary to recite here since we are persuaded that it is necessary for the Commission to reconsider these provisions of Order No. 19. Therefore we remand this case to the superior court with directions that the case be remanded to the Commission so that it may take further evidence and such other action as it deems necessary regarding the retirement and transfer of Chugach's facilities to ML&P.

REMANDED.

RABINOWITZ and MATTHEWS, JJ.,
not participating.



AMOCO PRODUCTION COMPANY,
Petitioner,

v.

W. C. CHURCH WELDING & CON-
TRACTING, INC., Respondent.

No. 3897.

Supreme Court of Alaska.

June 23, 1978.

Indemnitee moved for summary judgment that it was entitled to indemnification from indemnitor for injuries to indemnitor's employee. The Superior Court, Third Judicial District, Anchorage, Peter J. Kalamarides, J., denied summary judgment, and indemnitee petitioned for review. The Supreme Court granted review and held that: (1) enforceability of agreement for indemnification for injuries to indemnitor's employees was not dependent on whether indemni-

tor or indemnitee had been in control of work which caused employee's injury, and (2) where indemnification agreement was thus enforceable and there was no factual issue as to whether injury to indemnitor's employee came within terms of agreement, indemnitee was entitled to indemnity.

Reversed.

1. Indemnity \Rightarrow 8(4)

Enforceability of agreement for indemnity for injuries to indemnitor's employees was not dependent on whether indemnitor or indemnitee had been in control of work which caused employee's injury.

2. Indemnity \Rightarrow 3

Where indemnitee could have secured liability insurance protecting against claim by indemnitor's employees, there was no reason, in absence of some showing of unscrupulousness or unequal bargaining power, why indemnitee could not secure same protection from indemnitor by means of indemnification agreement.

3. Appeal and Error \Rightarrow 80(6)

Where issue involved was one of a controlling question of law on which there was substantial ground for difference of opinion and where an immediate and present review of the order might materially advance the ultimate termination of litigation, Supreme Court granted petition for review of trial court's denial of motion by indemnitee for summary judgment against indemnitor based on indemnification agreement.

4. Indemnity \Rightarrow 8(4)

Where indemnification agreement was enforceable even though indemnitee was in charge of indemnitor's employee and there was no factual issue involved as to whether injury to indemnitor's employee came under terms of agreement, indemnitee was entitled to indemnity for any claim for injury sustained by indemnitor's employee while he was working on indemnitee's offshore drilling rig.

Sanford M. Gibbs, Hagans, Smith, Brown, Erwin & Gibbs, Anchorage, for petitioner.

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ment was vested in one person of his important functions, and so as to avoid the [117] weakness of the Congress Revolution and under the Confederation. 1 Farrand

son and his associates in the House dwelt at length on the necessity there was for constraining to give the President the sole removal in his responsibility for the executive branch, and is by emphasizing his duty declared in the third section of the Constitution to "take care that the laws be executed." Madison, 1 Annals of Congress, 496, 497.

The grant of the executive power was essentially a grant of the power to execute the laws. But the President alone and unaided could not execute the laws. He must execute them through the aid of subordinates. This has been repeatedly affirmed in the cases. *Wilcox v. Jackson*, 13 Pet. 20 L. ed. 264, 271; *United States v. Wilson*, 16 Pet. 291, 302; *United States v. Williams*, 10 Pet. 972; *Williams v. United States*, 20 Pet. 290, 297, 11 L. ed. 135; *United States v. Goble*, 135 U. S. 1, 63, 34 L. ed. 100; *United States v. Russell*, 10 Sup. Ct. Rep. 658; *Russell v. United States*, 261 U. S. 1, 21 L. ed. 778, 784, 43 Sup. Ct. Rep. 100. As he is charged specifically with the duty that they be faithfully executed, and as a reasonable implication, even in the absence of express words, was that the President in exercising his executive power he should see that those who were to act for him were properly instructed in the execution of the laws. The further implication must be that in the absence of any express limitation on the power of removal, that as his selection of administrative officers is essential to the execution of the laws by him, the power of removing those officers should not continue to be responsible for the execution of the laws. *Annals of Congress*, 1 Annals of Congress, 496, 497.

It was urged that the meaning of the term "executive power" included the power of appointment and removal of executive officers. If such appointments were not an exercise of the executive power, who were they? They were not the exercise of judicial power in a governmental sense, as was understood.

It is true that in state and colonial constitutions at the time of the Constitutional Convention, power to make appointments and removal had sometimes

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been lodged in the legislatures or in the courts, but such a disposition of it was really vesting part of the executive power in another branch of the government. In the British system, the Crown which was the executive, had the power of appointment and removal of executive officers, and it was natural, therefore, for those who framed our Constitution to regard the words "executive power" as including both. *Ex parte Grossman*, 267 U. S. 87, 110, 69 L. ed. 527, 531, 38 A.L.R. 131, 45 Sup. Ct. Rep. 332. Unlike the power of conquest of the British Crown, considered and rejected as a precedent for us in *Fleming v. Page*, 9 How. 603, 618, 13 L. ed. 276, 282, the association of removal with appointment of executive officers is not incompatible with our republican form of government.

The requirement of the second section of article 2 that the Senate should advise and consent to the Presidential appointments, was to be strictly construed. The words of § 2, following the general grant of executive power under § 1 were either an enumeration and emphasis of specific functions of the Executive, not all inclusive, or were limitations upon the general grant of the executive power, and as such, being limitations, should not be enlarged beyond the words used. Madison, 1 Annals, 462, 463, 464. The executive power was given in general terms, strengthened by specific terms where emphasis was regarded as appropriate, and was limited by direct expressions where limitation was needed, and the fact that no express limit was placed on the power of removal by the Executive was convincing indication that none was intended. This is the same construction of article 2 as that of Alexander Hamilton, quoted *infra*.

[119] Second. The view of Mr. Madison and his associates was that not only did the grant of executive power to the President in the first section of article 2 carry with it the power of removal, but the express recognition of the power of appointment in the second section enforced this view on the well approved principle of constitutional and statutory construction that the power of removal of executive officers was incident to the power of appointment. It was agreed by the opponents of the bill, with only one or two exceptions, that as a constitutional principle the power of appointment carried with it the power of removal. Roger Sherman, 1 Annals of Congress, 491. This principle as a rule of constitutional and statutory construction, then

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generally conceded, has been recognized ever since. *Ex parte Hennen*, 13 Pet. 230, 259, 10 L. ed. 138, 152; *Reagan v. United States*, 182 U. S. 419, 45 L. ed. 1162, 21 Sup. Ct. Rep. 842; *Shurtleff v. United States*, 189 U. S. 311, 315, 47 L. ed. 823, 831, 23 Sup. Ct. Rep. 535. The reason for the principle is that those in charge of and responsible for administering functions of government who select their executive subordinates need in meeting their responsibility to have the power to remove those whom they appoint.

Under § 2 of article 2, however, the power of appointment by the Executive is restricted in its exercise by the provision that the Senate, a part of the legislative branch of the government, may check the action of the Executive by rejecting the officers he selects. Does this make the Senate part of the removing power? And this, after the whole discussion in the House is read attentively, is the real point which was considered and decided in the negative by the vote already given.

The history of the clause by which the Senate was given a check upon the President's power of appointment makes it clear that it was not prompted by any desire to limit removals. As already pointed out, the important purpose of those who brought about the restriction was to lodge in the Senate, where the small states had equal [120] representation with the larger states, power to prevent the President from making too many appointments from the larger states. Roger Sherman and Oliver Ellsworth, delegates from Connecticut, reported to its government: "The equal representation of the States in the Senate and the voice of that branch in the appointment to offices will secure the rights of the lesser as well as of the greater states." 3 Farrand, 99. The formidable opposition to the Senate's veto on the President's power of appointment indicated that in construing its effect, it should not be extended beyond its express application to the matter of appointments. This was made apparent by the remarks of Abraham Baldwin, of Georgia, in the debate in the First Congress. He had been a member of the Constitutional Convention. In opposing the construction which would extend the Senate's power to check appointments to removals from office, he said:

"I am well authorized to say that the mingling of the powers of the President and Senate was strongly opposed in the Convention which had the honor to sub-

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mit to the consideration of the United States and the different states the present system for the government of the Union. Some gentlemen opposed it to the last, and finally it was the principal ground on which they refused to give it their signature and assent. One gentleman called it a monstrous and unnatural connexion and did not hesitate to affirm it would bring on convulsions in the government. This objection was not confined to the walls of the Convention; it has been subject of newspaper declamation and perhaps justly so. Ought we not, therefore, to be careful not to extend this unchaste connexion any further?" 1 Annals of Congress, 557.

Madison said:

"Perhaps there was no argument urged with more success or more plausibly grounded against the Constitution under which we are now deliberating than that founded [121] on the mingling of the executive and legislative branches of the government in one body. It has been objected that the Senate have too much of the executive power even, by having control over the President in the appointment to office. Now shall we extend this connexion between the legislative and executive departments which will strengthen the objection and diminish the responsibility we have in the head of the Executive?" 1 Annals of Congress, 380.

It was pointed out in this great debate that the power of removal, though equally essential to the executive power is different in its nature from that of appointment. Madison, 1 Annals of Congress, 497 et seq.; Clymer, 1 Annals, 489; Sedgwick, 1 Annals, 522; Ames, 1 Annals, 541, 542; Hartley, 1 Annals, 481. A veto by the Senate—a part of the legislative branch of the government—upon removals is a much greater limitation upon the executive branch and a much more serious blending of the legislative with the executive than a rejection of a proposed appointment. It is not to be implied. The rejection of a nominee of the President for a particular office does not greatly embarrass him in the conscientious discharge of his high duties in the selection of those who are to aid him, because the President usually has an ample field from which to select for office, according to his preference, competent and capable men. The Senate has full power to reject newly proposed appointees whenever the President shall remove the incumbents. Such a check enables the Senate to prevent the filling of offices with bad or incompetent

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men or with those against whom there is tenable objection.

The power to prevent the removal of an officer who has served under the President is different from the authority to consent to or reject his appointment. When a nomination is made, it may be presumed that the Senate is, or may become, as well advised as to the fitness of the nominee [122] as the President, but in the nature of things the defects in ability or intelligence or loyalty in the administration of the laws of one who has served as an officer under the President, are facts as to which the President, or his trusted subordinates, must be better informed than the Senate, and the power to remove him may, therefore, be regarded as confined for very sound and practical reasons, to the governmental authority which has administrative control. The power of removal is incident to the power of appointment, not to the power of advising and consenting to appointment, and when the grant of the executive power is enforced by the express mandate to take care that the laws be faithfully executed, it emphasizes the necessity for including within the executive power as conferred the exclusive power of removal.

Oliver Ellsworth was a member of the Senate of the First Congress, and was active in securing the imposition of the Senate restriction upon appointments by the President. He was the author of the Judiciary Act in that Congress, and subsequently Chief Justice of the United States. His view as to the meaning of this article of the Constitution, upon the point as to whether the advice of the Senate was necessary to removal, like that of Madison, formed and expressed almost in the very atmosphere of the Convention, was entitled to great weight. What he said in the discussion in the Senate was reported by Senator William Patterson, 2 Bancroft, History of the Constitution of the United States, 192, as follows:

"The three distinct powers, legislative, judicial and executive should be placed in different hands. 'He shall take care that the laws be faithfully executed' are sweeping words. The officers should be attentive to the President to whom the Senate is not a council. To turn a man out of office is an exercise neither of legislative nor of judicial power; it is like a tree growing upon land that has been granted. The advice of the Senate does not make the appointment. The President appoints. There [123] are certain restrictions in certain cases, but the re-

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striction is as to the removal."

In the discussion in the year was expressed the national rule of construction in the passage of the bill country to tyranny through the exercise of the power of the President. Underly the fundamental misapprehension of the President's attitude in power is one of opposition while the Congress is in the government, and objections may be noted; had, before this court properly contested in the discussion (1 A 461), by Mr. Hartley (Mr. Lawrence (1 Annals, Mr. Scott (1 Annals, the members of the House are, and it may on some subjects that ed, by all the people representative of them all bers of either body whose constituencies countrywide; and as to ed for four years, w the people to exercise ar under the Consti seem to be no reason instrument in such a hamper that power b of it, expressed or fe Another argumen First Congress again er of removal in the its necessity in the p of the executive pov harassment in this r ed by the President's of officers, disloyal the Senate could act said: "Gentlemen ask, suspending an office vent misconduct? inconsistency in th declare that Cong to construe the C of the President removal; yet the a construction in of suspension bei Surely gentlemen d President has the granted expressly they do, they hav in their researches than I have been. allow a power of 1: L. ed.

restriction is as to the appointment and not as to the removal."

In the discussion in the First Congress fear was expressed that such a constitutional rule of construction as was involved in the passage of the bill would expose the country to tyranny through the abuse of the exercise of the power of removal by the President. Underlying such fears was the fundamental misconception that the President's attitude in his exercise of power is one of opposition to the people, while the Congress is their only defender in the government, and such a misconception may be noted in the discussions had before this court. This view was properly contested by Mr. Madison in the discussion (1 Annals of Congress, 461), by Mr. Hartley (1 Annals, 481), by Mr. Lawrence (1 Annals, 495), and by Mr. Scott (1 Annals, 533). The President is a representative of the people just as the members of the Senate and of the House are, and it may be at some times on some subjects that the President elected by all the people is rather more representative of them all than are the members of either body of the legislature whose constituencies are local and not countrywide; and as the President is elected for four years, with the mandate of the people to exercise his executive power under the Constitution, there would seem to be no reason for construing that instrument in such a way as to limit and hamper that power beyond the limitations of it, expressed or fairly implied.

Another argument advanced in the First Congress against implying the power of removal in the President alone from its necessity in the proper administration of the executive power was that all embarrassment in this respect could be avoided by the President's power of suspension of officers, disloyal or incompetent, until the Senate could act. To this Mr. Benson said:

"Gentlemen ask, will not the power of suspending an officer be sufficient to prevent misconduct? Here is some [124] inconsistency in their arguments. They declare that Congress have no right to construe the Constitution in favor of the President, with respect to removal; yet they propose to give a construction in favor of the power of suspension being exercised by him. Surely gentlemen do not pretend that the President has the power of suspension granted expressly by the Constitution; if they do, they have been more successful in their researches into that instrument than I have been. If they are willing to allow a power of suspending, it must be

because they construe some part of the Constitution in favor of such a grant. The construction in this case must be equally unwarrantable. But admitting it proper to grant this power, what then? When an officer is suspended, does the place become vacant? May the President proceed to fill it up? Or must the public business be likewise suspended? When we say an officer is suspended, it implies that the place is not vacant; but the parties may be heard, and, after the officer is freed from the objections that have been taken to his conduct, he may proceed to execute the duties attached to him. What would be the consequence of this? If the Senate, upon its meeting, were to acquit the officer, and replace him in his station, the President would then have a man forced on him whom he considered as unfaithful; and could not, consistent with his duty, and a proper regard to the general welfare, go so far as to entrust him with full communications relative to the business of his department. Without a confidence in the Executive Department, its operations would be subject to perpetual discord, and the administration of the government become impracticable." 1 Annals of Congress, 506.

Mr. Vining said:

"The Departments of Foreign Affairs and War are peculiarly within the powers of the President, and he must be responsible for them; but take away his controlling power, and upon what principle do you require his responsibility?"

[125] "The gentlemen say the President may suspend. They were asked if the Constitution gave him this power any more than the other? Do they contend the one to be a more inherent power than the other? If they do not, why shall it be objected to us that we are making a legislative construction of the Constitution, when they are contending for the same thing?" 1 Annals of Congress, 512.

In the case before us, the same suggestion has been made for the same purpose, and we think it is well answered in the foregoing. The implication of removal by the President alone is no more a strained construction of the Constitution than that of suspension by him alone and the broader power is much more needed and more strongly to be implied.

Third. Another argument urged against the constitutional power of the President alone to remove executive officers appointed by him with the consent of the Senate is that in the absence of an express power of removal granted to the President, power to make provision for removal of

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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing of)
a Tariff Revision, Designated as) U-80-4
TA20-126, by the MUNICIPALITY OF)
ANCHORAGE d/b/a ANCHORAGE SEWER) ORDER NO. 10
UTILITY for a Permanent General)
Sewer Rate Increase in the)
Anchorage, Eagle River, and)
Girdwood-Alyeska Sewer Service)
Areas)

In the Matter of the Filing of)
a Tariff Revision, Designated as) U-81-36
TA23-126, by the MUNICIPALITY OF)
ANCHORAGE d/b/a ANCHORAGE SEWER) ORDER NO. 1
UTILITY for Consolidation of)
Service Areas and Permanent)
Reduction of Rates)

ORDER SUSPENDING SERVICE AREA CONSOLIDATION
AND APPROVING PERMANENT RATE REDUCTIONS

On May 1, 1981, the MUNICIPALITY OF ANCHORAGE
d/b/a ANCHORAGE SEWER UTILITY (ASU) filed a tariff revision,
designated of TA23-126, requesting the immediate permanent
reduction of rates for sewer service in the Eagle River
Sewer Service Area (ERSSA) and the Girdwood-Alyeska Sewer
Service Area (GASSA). ASU requested that customers in the
ERSSA and GASSA be integrated into the appropriate rate
schedule of the Anchorage Bowl Service Service Area (ABSSA);
that all ERSSA and GASSA rate schedules except for those
based on metered water consumption be deleted; that definitions
and other tariff references for Service Area 40 (ABSSA) and
Service Area 50 (ERSSA) be deleted; and that a definition be

U-80-4(10), U-81-36(1) (6-15-81)
Page 1

ALASKA PUBLIC UTILITIES COMMISSION
1100 MacKay Building - 338 Denali Street
Anchorage, Alaska 99501
Phone 276-6222

LXIII
Item 9

1 added for the Anchorage Sewer Service Area (ASSA) as "that
2 area established by Anchorage, Alaska, Ordinance 81-23...."

3 The Commission Staff (Staff) has reviewed the
4 filing and has determined that it meets the requirements of
5 3 AAC 48.200 through 3 AAC 48.420.

6 The filing was noticed on May 7, 1981, with a
7 closing date of June 8, 1981, for the submission of state-
8 ments in support of, or in opposition to, the proposed
9 tariff revision. As of June 8, 1981, five statements have
10 been received by the Commission, four of which were also
11 filed with ASU as required under 3 AAC 48.090(b)(2).

12 Of the four properly filed statements, two from
13 ABSSA ratepayers (opposed) the tariff revision in its entirety;
14 one from a GASSA ratepayer supported the tariff revision in
15 its entirety; and one from an ABSSA ratepayer included a
16 statement of non-objection to the decrease in ERSSA and
17 GASSA rates, and a statement of vehement objection to the
18 creation of a consolidated service area and dissolution of
19 separate service areas.

20 On June 9, 1981, the Commission received a memorandum,
21 a copy of which is attached hereto as Appendix A, from the
22 Staff setting forth a review and analysis of ASU's request.

23 Discussion

24 In support of its request for consolidation of
25 sewer service areas, ASU cites the 1980 amendment (Sec. 5,
26 Ch. 136, SLA 1980) to AS 42.05.391(a) which provides that:

27 a municipally owned utility may offer
28 uniform or identical rates for a public
29 utility service to customers located in
30 different areas within its certificated
service area who receive the same class
of service. Any uniform or identical

31 U-80-4(10), U-81-36(1)
32 Page 2

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1 rate shall, upon complaint, be subject to
2 review by the commission and may be set
aside if shown to be unreasonable.

3 In Appendix A, Staff discusses the consolidation
4 issue in relation to the amended AS 42.05.391(a). The
5 Commission concurs in part with Staff's comments, but takes
6 exception to Staff's recommendation to summarily deny the
7 proposed consolidation.

8 The utility originally requested the Commission to
9 authorize a consolidation of its service areas on December 12,
10 1979. In Docket U-80-4, the Commission had established a
11 procedure to determine this issue. The Commission would
12 analyze each of the three revenue requirements separately,
13 and then based on this information, decide whether consoli-
14 dation would be in the public interest. In Docket U-80-4(7),
15 the Commission stated its intention to hold hearings in
16 Girdwood, Eagle River and Anchorage to take testimony on
17 ASU's request to consolidate the rates of the three service
18 areas. Any ruling on consolidation at this time would be
19 premature and would conflict with the schedule the Commission
20 has established in U-80-4.

21 In the current proceeding, the Commission finds
22 itself in the position of being asked to rule on the consolidation
23 issue without having all the facts. Specifically, without a
24 Girdwood revenue requirement, the utility is unable to
25 present a consolidated revenue requirement, separate service
26 area rates, and consolidated service area rates, in a manner
27 which would enable the public and this Commission to determine
28 if undue discrimination from cross-subsidization of service
29 areas would exist under the proposed consolidated rates.

31 U-80-4(10), U-81-36(1)
32 Page 3

1 Since granting continuous extensions of time for
2 the filing of a proformaed normalized revenue requirement
3 for GASSA, as ordered in U-80-4(9), the Commission was
4 informed on March 20, 1981, by ASU's attorney that because
5 of the Assembly's Ordinance No. 81-23, ASU believed it
6 "inappropriate..., unduly expensive... and serving no parti-
7 cular purpose" for it to comply with the Commission's order
8 requiring a GASSA revenue requirement. Even if these allegations
9 of the utility are true, the appropriate procedure available
10 to the utility, a motion or petition to change a Commission
11 Order, is absent. In addition, at least one other party, in
12 U-80-4, is of a contrary mind.

13 It may be that the approach to a revenue requirement
14 for GASSA, in the traditional sense, needs to be modified
15 due to the change in circumstances since the utility filed
16 its initial request on December 12, 1979, to consolidate its
17 service area. The Commission notes that the utility's
18 request to consolidate its service area predates the amendment
19 to AS 42.05.391(a), and the change in statute may not apply.
20 It is not evident to the Commission, however, that no additional
21 information is necessary or required. To the contrary,
22 Commission decisions must be based in findings of fact, and
23 the facts regarding the revenues and expenses associated
24 with GASSA are lacking.

25 Therefore, the Commisison will direct the Staff to
26 submit a timetable and a listing of required information
27 regarding GASSA within 30 days. The Commission encourages
28 the utility to coordinate its efforts with Staff in order to
29 expeditiously move forward in this proceeding.

ALASKA PUBLIC UTILITIES COMMISSION
1100 MacKay Building - 338 Der li Street
Anchorage, Alaska 99501
Phone 276-6222

ALASKA PUBLIC UTILITIES COMMISSION
1100 Mackay Building - 338 Denali Street
Anchorage, Alaska 99501
Phone 276-6222

1 Pending the outcome of the proceedings on the
2 Girdwood revenue requirement, the Commission will suspend
3 the service area consolidation portion of TA23-126. The
4 Commission also believes that TA23-126 should be combined
5 with Docket U-80-4 for purposes of Commission consideration.

6 ASU has also requested rate reductions for Eagle
7 River and Girdwood rates in TA23-126. In order to maintain
8 current levels of revenue, ASU proposes to offset these rate
9 reductions with municipal assistance revenues furnished by
10 the State of Alaska by legislative appropriation. The
11 Commission believes that Staff's analysis set forth in
12 Appendix A, pages 4 and 5, adequately reflects the Commission's
13 concerns and position in this regard and will accept Staff's
14 recommendations to grant the utility's request to reduce
15 rates in ERSSA and GASSA. In addition, the Commission
16 believes Staff's inquiry regarding the ABSSA is reasonable.

17 On June 11, 1981, John Spencer, Executive Manager
18 of the Anchorage Municipal Utilities, filed a letter with
19 the Commission reiterating his concern about the results of
20 the tariff action meeting at which the decisions embodied in
21 this Order were made, as reported in the local newspapers.
22 Spencer enclosed copies of documents filed in U-80-4, the
23 permanent rate request of ASU in the ABSSA, ERSSA and GASSA.

24 The Commission appreciates the concern of the
25 utility regarding Commission procedure which provides a
26 mechanism for decision making in tariff action meetings,
27 open to the public, prior to the issuance of a formal order
28 setting forth the Commission's action and the rationale
29 therefor. The Commission notes, however, that, in the
30 instant proceeding, the Staff's analysis, a major consideration

31 U-80-4(10), U-81-36(1)
32 Page 5

1 in the Commission's decision, was made available to the
2 utility representatives present at the tariff action meeting
3 immediately after the Commission's action was taken.

4 Reference to a Petition for Reconsideration is
5 made by Spencer in his June 11, 1981, communication to the
6 Commission. This is certainly a proper procedure to be
7 invoked when a party, as a result of a Commission order,
8 believes there is relevant information which could result in
9 a change in the Commission's action. The utility should
10 note, however, that there is opposition to the utility's
11 consolidation request both in Docket U-80-4 and in response
12 to TA23-126. AS 42.05.391(a) as amended by Sec. 5, Chapter
13 SLA 1980, mandates review by the Commission if complaints
14 are received regarding uniform rates offered to customers of
15 a utility located in different areas.

16 THE COMMISSION FURTHER FINDS AND CONCLUDES:

17 1. ASU is a public utility as defined in AS 42.05.701
18 and is subject to the regulatory jurisdiction of this Commission.

19 2. It is in the public interest to suspend ASU's
20 request to consolidate its service areas in the tariff
21 revision designated as TA23-126 pending the additional
22 information required in Docket U-80-4, ASU's permanent rate
23 increase request.

24 3. The issues relating to Docket U-81-36 should
25 be combined with Docket U-80-4 for purposes of Commission
26 consideration.

27 4. Staff should submit a listing of required
28 information and a proposed timetable for the resolution of
29 the GASSA revenue requirement issue within 30 days from the
30 date of this Order.

31 U-80-4(10), U-81-36(1)
32 Page 6

1 4. The Municipality of Anchorage d/b/a Anchorage
2 Sewer Utility is granted permanent rate reductions of 54.22 per-
3 cent for the Eagle River Sewer Service Area and 68.05 percent
4 for the Girdwood-Alyeska Sewer Service Area. The decrease
5 is applicable on an across-the-board basis to currently
6 tariffed rates for recurring charges for sewer service upon
7 bills rendered on or after June 15, 1981.

8 5. For ratemaking purposes, the actual capital
9 structure of the Municipality of Anchorage d/b/a Anchorage
10 Sewer Utility shall exclude any losses resulting from rate
11 reductions in the Eagle River Sewer Service Area and the
12 Girdwood-Alyeska Sewer Service Area.

13 6. Within 30 days from the date of this Order,
14 the Municipality of Anchorage d/b/a Anchorage Sewer Utility
15 shall file with this Commission information to show cause
16 why rate reductions have not been proposed for the Anchorage
17 Bowl Sewer Service Area. Such information will include an
18 analysis by the Municipality of Anchorage d/b/a Anchorage
19 Sewer Utility why the rate reductions as currently approved
20 do not constitute undue discrimination under AS 42.05.391(a).

21 7. The Municipality of Anchorage d/b/a Anchorage
22 Sewer Utility shall add a definition for the Girdwood-Alyeska
23 Sewer Service Area to its tariff.

24 8. Within 30 days from the date of this Order,
25 the Municipality of Anchorage d/b/a Anchorage Sewer Utility
26 shall file any tariff sheets necessitated by this Order.

27 DATED AND EFFECTIVE at Anchorage, Alaska, this 15th day of
28 June, 1981.

29 BY DIRECTION OF THE COMMISSION
30 (Commissioner Susan M. Knowles not participating)

31
32
(S E A L)
U-80-4(10), U-81-36(1)
Page 8

STATE
of ALASKA

MEMORANDUM JIM

Appendix A

DATE: June 9, 1981

TO: Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall

TELEPHONE NO.:

FILE NO.:

THRU: Kathleen W. Hesser *KWH*
Chief of Finance and Accounts *MT*

SUBJECT:

FROM: Marianne L. Turner, Utility Financial
Analyst III

TA23-126 - Anchorage
Sewer Utility, Rate
Reduction and Consolid-
ation

On May 1, 1981, Anchorage Sewer Utility (ASU) filed a tariff revision (TA23-126), which is a proposal to reduce rates for sewer service in the Eagle River Sewer Service Area (ERSSA) and the Girdwood-Alyeska Sewer Service Area (GASSA) to the rates currently being charged in the Anchorage Bowl Sewer Service Area (ABSSA) for all customers other than for 12 metered commercial customers in the ERSSA and GASSA. In addition, ASU proposes to delete the definitions of Sewer Service Area 40 (ABSSA) and 50 (ERSSA) and add a definition of Anchorage Sewer Service Area (ASSA) as "that area established by Anchorage, Alaska, Ordinance 81-23..." ASU has requested that the filings take effect on a permanent basis no later than the end of the statutory notice period which expires June 15, 1981.

The filing was made in compliance with Sections 3 AAC 48.200 - 3 AAC 48.420 of the Alaska Administrative code. The filing was noticed to the public on May 7, 1981. Four responses have been received, one supporting the tariff revision (Alyeska Resort), two opposing the revision (Anchorage residential ratepayers), and the response of David Rose who opposes the proposed changes in sewer service area definitions.

Summary Of Staff Recommendations

1. Commission deny ASU's request to delete the definition of the ABSSA and the ERSSA.
2. Commission order ASU to add a definition for the GASSA.
3. Commission deny ASU's request to partially delete rate schedules for ERSSA and GASSA.
4. Commission approve rate reduction across-the-board to all rate schedules 2.5 through 2.11 as follows:

<u>Service Area</u>	<u>Percent Reduction</u>	<u>Rate Schedules</u>
ERSSA	54.22%	2.5 - 2.7
GASSA	68.05%	2.8 - 2.11

5. Commission order that ABSSA rate schedules 2.1, 2.2, 2.3 and 2.4 remain titled Sewer Service Area #40.
6. Commission order ASU to show cause within 30 days why ABSSA rates should not be decreased under AS 42.05.391(a).

History

On December 12, 1979, ASU filed TA20-126 requesting permanent rate relief for all sewer service areas, rate redesign, and consolidation of sewer service area rates into a single rate schedule. Although the Commission granted permanent rate increases for Anchorage and Eagle River (U-80-4(6), July 22, 1980), action on the consolidation and rate design phases was indefinitely suspended pending the refileing and resolution of a normalized GASSA test year.

In a letter from ASU dated March 20, 1981, the Commission was notified that the Municipality of Anchorage had approved ordinance AO No. 81-23 on March 3, 1981. The ordinance consolidated the three separate sewer service areas into a new service area entitled the Anchorage Sewer Service Area (ASSA) (Exhibit 1 attached). As a result of that action, ASU indicated that it would not continue its plan to develop a first normalized operating test year for Girdwood, that the utility would file for reduction in Eagle River and Girdwood rates on May 1, 1981, and that ASU would file a 1980 consolidated revenue requirement study by September 1, 1981.

Commission Staff (Staff) analysis of TA23-126 and Staff Recommendations

1. Consolidation issue:

In analyzing ASU's tariff revision Staff has considered the following sections of the Alaska Statutes:

Sec. 42.05.391. Discrimination in rates. (a) A public utility may not, as to rates, grant an unreasonable preference or advantage to any of its customers or subject a customer to an unreasonable prejudice or disadvantage. A public utility may not establish or maintain an unreasonable difference as to rates, either as between localities or between classes of service. A municipally owned

utility may offer uniform or identical rates for a public utility service to customers located in different areas within its certificated service area who receive the same class of service. Any uniform or identical rate shall, upon complaint, be subject to review by the commission and may be set aside if shown to be unreasonable. (am § 5 ch 136 SLA 1980)

Section 42.05.701. (3) "service" means (unless the context indicates otherwise) every commodity, product, use, facility, convenience or other form of service which is offered for and provided by a public utility for the convenience and necessity of the public;

In Docket U-80-4, the consolidation issue was indefinitely suspended pending the outcome of preparing and auditing a normalized GASSA test year revenue requirement. That revenue requirement was considered to be necessary by the Commission in order to determine the impact of consolidated rates on the ABSSA ratepayer in conjunction with Alaska Statutes on Discrimination in rate; (AS 42.05.391(a) first sentence).

AS 42.05.291(a) was amended in 1980 by the addition of sentences 3 and 4. Sentence 3 allows a municipality to provide uniform rates in different areas for the same class of service, and is the authority cited by ASU as a basis for consolidated rates.

Referring to the definition of service provided under AS 42.05.701(3), Staff notes that service includes facilities. The ASSA has three separate facilities providing different qualities of effluent. The Anchorage bowl area is currently provided with primary treatment, the Eagle River Area with secondary treatment, and Girdwood/Alyeska with tertiary treatment. Staff questions whether 3 different methods of sewage treatment can equate to one class of service as described in the statutes.

Sentence 4 of AS 42.05.391(a) provides the Commission with the power to set aside uniform rates if found unreasonable. Commission review is initiated by complaint, and the burden of proof rests with the complainant and the Commission. The current filing does not provide ratepayers with the information necessary to determine whether or not a complaint should be initiated. Both the filing and the public notice address rate reductions, and indicate that a consolidated revenue requirement filing will be made in the future. The ABSSA ratepayer cannot determine the impact of consolidation on his rates under these circumstances.

Based on the facts that 1) the consolidation issue is being reviewed in other proceedings 2) that TA23-126 does not adequately set forth to the ratepayers the potential impact of consolidation and 3) that there are important questions to be answered before the Commission can rule on consolidation, Staff will not utilize consolidation arguments in its approach to the requested rate reductions.

For purposes of these proceedings, Staff recommends that the Commission deny ASU's request to delete the definitions of the ABSSA and ERSSA, and that ASU be ordered to add a definition for GASSA. Staff further recommends that the three separate service area rate schedules remain in the tariff.

2. Requested decrease in rates, rate restructuring:

ASU has requested rate reductions of \$130,439 (54.22 Percent) for ERSSA, and \$84,266 (68.05 Percent) for GASSA (MLT-1 and MLT-2). In each service area, ASU has requested grandfathering of metered customers (no rate reduction). ASU has also requested that for customers other than metered customers, the rates be restructured to coincide with the ABSSA rate schedules.

Staff believes that ASU has the right to lower rates if it so chooses, subject to the conditions discussed below.

A. Losses sustained be excluded from actual debt/equity structure:

In Docket U-80-4, Order No. 7, ordering paragraph 2, the Commission ordered that the accumulated revenue shortfall created by the Stipulated rate increase for Eagle River to the extent that it is attributable to rates which do not recoup the Stipulated revenue requirement be excluded from the actual debt/equity structure of ASU. Both ERSSA and GASSA sustained net operating losses in 1980 (MLT-4). In accordance with prior Commission ruling's, any losses arising out of rate reductions in the ERSSA and the GASSA not offset by revenues from other sources (i.e., Municipal Assistance Revenues) should be excluded from the actual debt/equity structures of ASU for future rate proceedings.

B. Rate Reductions for ERSSA and GASSA shall not give undue preference or advantage to any of its customers or subject a customer to an unreasonable prejudice or disadvantage. Rate Reductions should be applied across-the-board to current approved tariffed rates.

ASU has requested rate restructuring for the ERSSA and GASSA, by proposing adoption of ABSSA rate schedules. No support has been provided for the rate restructuring, and results in reductions in rates varying from 51.05 percent to 81.94 percent in the ERSSA (MLT-1), and reductions in rates

varying from 31.07 percent to 78.87 percent in the GASSA (MLT-2). In addition ASU has requested that 12 metered customers (7 in ERSSA, 5 in GASSA) remain on current tariffed rates. Staff believes that exclusion of certain customers from a service area rate reduction is discriminatory under AS 42.05.391(a), and therefore recommends that the rate reduction be applied to each service area's currently approved tariffed rates across-the-board as follows; for ERSSA A 54.22 percent reduction in rates, and for GASSA a 68.05 percent reduction in rates.

C. ASU should show cause within 30 days why preferential treatment through rate reductions has been requested for ERSSA and GASSA ratepayers, and why ABSSA ratepayers have not been included in proposed rate reductions.

Ratepayers of ERSSA and GASSA are not currently providing any return to ASU (see MLT-4).¹ The rate reduction in ERSSA and GASSA may result in increased losses in these service area. However, ABSSA ratepayers are currently providing a return to the utility. Staff believes that ASU has subjected the Anchorage Bowl rate payers to an unreasonable prejudice or disadvantage by requiring them to provide the only profits to the utility and excluding them from rate reductions. In establishing rate schedules a utility may design its rate schedules so that the return from one class of customer will be higher or lower than the return from another class of customer, but the difference must not be so great as to create undue or unreasonable discrimination. Re Delmarva Power and Light Co. of Maryland, 71 PUR 3d 195, 202, (Md. 1967). In this case, the difference in profit and loss between ABSSA, ERSSA and GASSA are so dramatic that this would result in unreasonable rate discrimination. AS 42.05.391(a).

¹ As of December 31, 1980 as adjusted by Staff for the Commission approved methodology for accounting for amortization of contributions in aid of construction, the net income (losses) for ABSSA, ERSSA and GASSA are \$571,741 (\$61,706) and (\$930,358) respectively. Assembly appropriations for the sewer utility of municipal assistance revenues are \$3,390,230 for fiscal year 1981; an increase of \$890,230 over ad valorem taxes allocated to ASU in 1980. (MLT-3) ASU states in its tariff filing that the increased revenues allocated by the Assembly are being used to offset GASSA & ERSSA rate reductions by \$130,439, GASSA rate reductions by \$84,266, with the remaining balance of \$675,525 to be utilized at the discretion of the utility.

Requested by: Assemblyman Chieci
Prepared by: Anchorage Water & Sewer Utilities
For Reading: February 10, 1981

APPROVED
Date: 3-3-81

ANCHORAGE, ALASKA
AO NO. 81- 23

AN ORDINANCE CONSOLIDATING THE SEWERAGE SERVICE FUNCTION OF THE ANCHORAGE BOWL SEWER SERVICE AREA, THE EAGLE RIVER SEWER SERVICE AREA AND THE GIRLWOOD-ALYESKA SEWER SERVICE AREA

WHEREAS, the Anchorage Assembly finds that in the Anchorage Bowl Sewer Service Area, the Eagle River Sewer Service Area and the Girdwood-Alyeska Sewer Service Area, the Municipality of Anchorage provides the same level of sewerage service; and

WHEREAS, Section 9.01(a) of the Anchorage Municipal Charter provides that the Assembly, by ordinance, may consolidate service areas in which the Municipality provides services at the same level in each of the areas;

NOW, THEREFORE, the Anchorage Assembly ordains:

Section 1. The Anchorage Bowl Sewer Service Area, the Eagle River Sewer Service Area and the Girdwood-Alyeska Sewer Service Area are consolidated into one service area, called the Anchorage Sewer Service Area.

Section 2. Title 27, Service Areas, of the Anchorage Municipal Code is amended by adding a new section to read:

27.30.230 Anchorage Sewer Service Area (ASSA). There is established, pursuant to Section 9.01 of the Anchorage Municipal Charter, a service area within the Municipality of Anchorage to be the "Anchorage Sewer Service Area" (ASSA) of the Municipality of

Anchorage as outlined on the maps following. The Anchorage Sewer Service Area shall consist of the areas formerly known as the Anchorage Bowl Sewer Service Area (formerly known as Service Area Number Twenty-three, also formerly known as Sewer Service Area Number Forty), the Eagle River Sewer Service Area (formerly known as Service Area Number Fifty, also formerly known as Sewer Service Area Number Fifty - Eagle River) and the Girdwood-Alyeska Sewer Service Area (formerly known as Service Area Number Sixty, also formerly known as Sewer Service Area Number Sixty - Girdwood-Alyeska). Sewerage services shall be provided in the Anchorage Sewer Service Area.

Section 3. Sections 27.30.140, .150 and .160 of the Anchorage Municipal Code are repealed.

Section 4. This ordinance shall become effective

Passed and approved by the Anchorage Assembly, this 3rd day of MARCH, 1981.

Bernard J. Maish
CHAIRMAN

ATTEST:

Ruth E. Smith
MUNICIPAL CLERK

TA 23-126 ASU PROVIDED INFORMATION

FORMER ERSSA

Type	Number Customer Accounts/Units	ERSSA Rate Schedule	ERSSA Monthly Rate	Old Monthly Revenue	ABSSA Rate Schedule	ABSSA Monthly Rate	New Monthly Revenue	Decrease In Monthly Revenue	% DECREASE CALCULATED BY STAFF	PROPOSED RATES	PROPOSED REVENUE
SF	604/604	2.5	\$ 17.90	\$10,811.60	2.1	\$ 7.50	\$4,530.00	\$6,281.60	58.10 %	\$ 8.20	\$ 4952.80
Duplex	18/36	2.5	35.80	644.40	2.1	15.00	270.00	374.40	52.10	16.40	295.20
Tri-plex	1/3	2.5	53.70	53.70	2.1	21.00	21.00	32.70	60.29	24.60	24.60
4-plex	3/12	2.5	71.60	214.80	2.1	28.00	84.00	130.80	60.87	32.23	98.40
5-plex	1/5	2.5	104.05	104.05	2.1	40.55	40.55	63.50	60.89	41.00	41.00
6-plex	12/72	2.5	107.40	1,288.80	2.1	42.00	504.00	784.80	60.29	49.20	590.40
8-plex	2/16	2.5	143.20	286.40	2.1	56.00	112.00	174.40	60.29	65.60	131.20
9-plex	1/9	2.5	161.10	161.10	2.1	63.00	63.00	98.10	60.29	73.80	73.80
10-plex	3/30	2.5	179.00	537.00	2.1	70.00	210.00	327.00	60.29	82.00	246.00
11-plex	2/22	2.5	156.90	393.80	2.1	77.00	154.00	239.80	60.29	90.20	180.40
16-plex	1/16	2.5	286.40	286.40	2.1	112.00	112.00	174.40	60.29	131.20	131.20
Trailer Court	2/72	2.5	14.30	1,029.60	2.1	7.00	504.00	525.60	51.05	6.55	471.60
Subtotal				\$15,811.65			\$6,604.55	\$9,207.10	58.23		7236.60
Commercial	3/3	2.6	- 2/	\$ 361.30	2.2 & 2.4	-	\$ 164.80	\$ 196.50	54.24		165.40
Commercial	6/6	2.6	-	320.60	2.2	-	57.90	262.70	81.94		146.77
Commercial	9/9	2.6	-	800.33	2.4	-	153.65	646.68	80.80		366.29
Commercial	1/1	2.5	-	371.80	2.1	-	182.00	189.80	51.05		170.21
Commercial	1/1	2.6	-	657.80	2.1	-	322.00	335.80	51.05		301.14
Commercial	1/1	2.5 & 2.6	-	41.90	2.1 & 2.2	-	10.50	31.35	74.82		19.18
Subtotal	21/21			\$ 2,553.73			\$ 890.90	\$1,662.83	65.11		
Total	671/918			\$18,365.38			\$7,495.45	\$10,869.93	59.19 %		
Total Monthly Decrease in Revenue				\$18,365.38			\$ 7,495.45	\$10,869.93	59.19 %		
7 INTEREST RECEIPTS				1681.21	NOT CHANGED		1,681.21	-			769.65
				\$20046.59			\$ 9,176.66	\$10,269.93	54.22 %		9175.34
TOTAL PER ANNUM				\$ 240,559			\$ 110,120	\$130,439			

RATES ROUNDED TO NEAREST DOLLAR.

DIFFERENCE DUE TO ROUNDING OF FIGURES

MULTI-1

← TA 23-126 ASU PROVIDED INFORMATION →

FORMER GASSA

Type	Number Customer Accounts/Units	GASSA Rate Schedule	GASSA Monthly Rate	Old Monthly Revenue	ABSSA Rate Schedule	ABSSA Monthly Rate	New Monthly Revenue	Decrease in Monthly Revenue	O/O DECREASE CALCULATED BY STATE	PROPOSED ACROSS THE-BOARD REDUCTION	
										LIST	REVENUE
SF Duplex	205/205	2.8.2	\$ 35.50	\$7,277.50	2.1	\$ 7.50	\$1,537.50	\$5,740.00	78.87 %	11.35	\$2226.75
2 S.F.'s on 1 lot	2/4	2.8.2	47.40	94.80	2.1	15.00	30.00	64.80	68.35	15.20	30.40
10-plex	4/8	2.8.2	67.30	269.20	2.1	15.00	60.00	209.20	77.71	21.50	86.00
43-plex	1/10	2.8.2	222.20	222.20	2.1	70.00	70.00	152.20	62.50	71.20	71.20
	1/43	2.8.2	943.25	943.25	2.1	301.00	301.00	642.25	68.09	302.20	302.20
Subtotal 213/270				\$8,806.95			\$1,998.50	\$6,808.45	77.31		2816.55
Commercial 4/4		2.9.2	- 2/ \$ 36.00	2.2	-	\$ 22.10	\$ 13.90		38.61		11.50
Commercial 1/1		2.8.2	- 38.65	2.1	-	7.50	31.15		80.60		12.35
Commercial 1/1		2.8.2 & 2.9.2	- 49.50	2.1 & 2.4	-	32.45	17.45		34.97		15.95
Commercial 2/2		2.8.2 & 2.9.2	- 75.50	2.1 & 2.2	-	21.10	54.40		72.05		24.10
Commercial 2/2		2.9.2	- 311.70	2.2 & 2.4	-	214.85	96.85		31.07		100.00
Subtotal 10/10				\$ 511.75		\$ 298.00	\$ 213.75		41.76		
Total 223/280				\$9,318.70		\$ 2,296.50	\$7,022.20		75.36 %		
Total Monthly Decrease in Revenue				\$ 9,318.70		\$ 2,296.50	\$7,022.20		75.36 %		
5 INCREASED ACCOUNTS				999.64		999.64	-				319.40
				\$10,218.34		\$ 3,296.14	\$7,022.20		68.05 %		\$3,299.85
TOTAL PER ANNUM				\$123,820		\$39,554	\$84,266				\$39,598

68.00% DECREASE
DUE TO THE REDUCTION
IN RATES

2/ Commercial accounts accumulated by rate schedule.

3-1-2

Prepared by:	
Approved by:	

ANCHORAGE SEWER UTILITY
FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 1980

(CONSOLIDATED) ABSSA ERSEA CASSA

OPERATING INCOME (LOSS) BEFORE DEPRECIATION	\$ 175,597	\$ 207,625	\$ (29,279)	\$ (290,909)
DEPRECIATION ON NON- CONTRIBUTED PLANT	(150,073)	(138,435)	(1,283)	(151,125)
NET OPERATING INCOME (LOSS)	25,524	73,780	40,662	(42,034)
INTEREST INCOME	275,287	258,740	163,154	2203
INTEREST EXPENSE & AMORTIZATION OF DEBT EXPENSE	(342,281)	(275,556)	(124,198)	(490,527)
NET INCOME (LOSS)	\$ (42,035)	\$ 57,114	\$ (61,706)	\$ (930,358)

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing of)
a Tariff Revision, Designated as) U-80-4
TA20-126, by the MUNICIPALITY OF)
ANCHORAGE d/b/a ANCHORAGE SEWER)
UTILITY for a Permanent General)
Sewer Rate Increase in the)
Anchorage, Eagle River, and)
Girdwood-Alyeska Sewer Service)
Areas)

In the Matter of the Filing of)
a Tariff Revision, Designated as) U-81-36
TA23-126, by the MUNICIPALITY OF)
ANCHORAGE d/b/a ANCHORAGE SEWER)
UTILITY for Consolidation of)
Service Areas and Permanent)
Reduction of Rates)

CERTIFICATION OF MAILING

Sally Kay McDaid Certifies as follows:

That I am Clerk Typist III in the offices of the Alaska Public Utilities Commission, 1100 MacKay Building, 338 Denali Street, Anchorage, Alaska 99501.

That on the 16th day of June, 1981, I mailed true and accurate copies with postage thereon to the parties indicated on the attached service list of

ORDER NO. 10

ORDER NO. 1

ORDER SUSPENDING SERVICE AREA CONSOLIDATION
AND APPROVING PERMANENT RATE REDUCTIONS

in the above entitled cause.

DATED at Anchorage, Alaska, this 16th day of June, 1981.

Sally Kay McDaid

ANCHORAGE SEWER UTILITY
SOURCE OF MUNICIPAL ASSISTANCE FUNDS
JUNE 30, 1981

	1	2	3	4
	CONSOLIDATED ABSSA REVENUES (2)	ESSEA	GASSA	
		MLT-1	MLT-2	
REVENUES - RES + comm	\$ 1,210,797	\$ 524,434	\$ 240,557	\$ 123,204
ADDITIONAL REVENUES FROM MUNICIPAL ASSISTANCE FUNDS (3)	84,023	73,000	134,000	26,230
RATIO OF INCREASED MUNICIPAL ASSISTANCE REVENUES TO RES. + comm. REVENUES	14.33%	12.49%	55.76%	21.19%
ORIGINALLY BUDGETED AD VALOREM TAXES 1980 (1)		2,500,000		
INCREASE IN MILL RATE OVER 1980		.11	.50	.50
% INCREASE IN MILL RATE		28.20%	100%	100%

- (1) 1980 AD VALOREM TAXES CALCULATED AT .39 MILL RATE TIMES ASSESSED VALUATION OF ANCHORAGE BOWL ONLY
- (2) INCREASE NOT APPLICABLE FOR 1.67% RATE INCREASE EFFECTIVE 7-22-80. USED 1980 AUDITED MUNICIPAL FINANCIAL STATEMENTS.
- (3) ALLOCATION TO SERVICE AREAS IS ASU + MUNICIPAL ASSEMBLY PROVIDED ALLOCATION - BASED ON .50 MILL RATE TIMES THE ASSESSED VALUATION OF EACH SERVICE AREA.

SERVICE LIST

U-80-4
U-81-36

Peter Argetsinger
Counsel for the Anchorage
Sewer Utility
Wohlforth & Flint
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Anchorage, Alaska 99501

John L. Harshman
General Manager
Anchorage Water and
Sewer Utilities
3000 Arctic Boulevard
Anchorage, AK 99503

Elizabeth H. Ross, Esquire
Counsel for the Alaska Public
Utilities Commission Staff
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Anchorage, Alaska 99501

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Manager, Tariffs and Regulatory
Affairs
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Anchorage, Alaska 99502

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Girdwood, Alaska 99587

Ben Marsh & Associates
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Anchorage, Alaska 99503

Randy Phillips
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Eagle River, Alaska 99577

Mr. Stephen J. Crispen
21st Combat Support Group/JA
Elmendorf AFB, Alaska 99506

Irene Dupont
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Anchorage, Alaska 99501

Larry Honchen
Honchen, Uhlenkott & Martinsen
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Anchorage, Alaska 99501

Norman F. Kaelber, Chairman
Advisory Commission
Anchorage Sewer and Water
Utility
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Anchorage, Alaska 99503

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Girdwood, Alaska 99587

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Girdwood, Alaska 99587

Ms. Barbara J. Bowers
P. O. Box 224
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Ms. Susan Barnett
P. O. Box 132
Girdwood, Alaska 99587

Mr. Gene L. Tenny
S.R.A Box 2508
Anchorage, Alaska 99507

Ms. Jacky Graham
P. O. Box 272
Girdwood, Alaska 99587

Mr. Chris von Imhof, Chairman
Girdwood Board of Supervisors
P. O. Box 249
Girdwood, Alaska 99587

Bill Lange, Chairman
Girdwood Open Forum
P. O. Box 142
Girdwood, Alaska 99587

Mr. Jim E. Hackett
P. O. Box 595
Girdwood, Alaska 99587

John Trautner
Girdwood Open Forum
P. O. Box 722
Girdwood, Alaska 99587

Ms. Nancy L. Simmerman
Alyeska Village Box 548
Girdwood, Alaska 99587

Tim Bennett
P.O. Box 574
Girdwood, Alaska 99587

Mr. Tim R. Crawford
c/o Alaska Cleaners, Inc.
610 W. Fireweed Lane
Anchorage, Alaska 99503

Mr. James R. Hendershot
3909 Iowa
Anchorage, Alaska 99503

U-80-4
U-81-36
CCURTASY LIST

(CONTINUED)

Mr. David A. Rose
4326 East Fifth Avenue
Anchorage, Alaska 99504

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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing of)
a Tariff Revision, Designated as) U-80-4
TA20-126, by the MUNICIPALITY OF)
ANCHORAGE d/b/a ANCHORAGE SEWER)
UTILITY for a Permanent General)
Sewer Rate Increase in the)
Anchorage, Eagle River, and)
Girdwood-Alyeska Sewer Service)
Areas)

In the Matter of the Filing of)
a Tariff Revision, Designated as) U-81-36
TA23-126, by the MUNICIPALITY OF)
ANCHORAGE d/b/a ANCHORAGE SEWER)
UTILITY for Consolidation of)
Service Areas and Permanent)
Reduction of Rates)

ERRATA NOTICE

ORDER NOS. 10 and 1

ORDER SUSPENDING SERVICE AREA CONSOLIDATION
AND APPROVING PERMANENT RATE REDUCTIONS
(Issued June 15, 1981)

- Page 2, line 13: Delete parentheses around word "opposed".
- Page 3, line 22: Change "iself" to "itself".
- Page 4, line 6: Change "inappropriate" to "inappropriate".
- Page 4, line 22: Change "in" to "on".
- Page 5, line 28 : Change "tha" to "the".

DATED AND EFFECTIVE at Anchorage, Alaska, this 16th day of June, 1981.

BY DIRECTION OF THE COMMISSION
(Commissioner Susan M. Knowles, not participating)

(S E A L)

U-80-4 (10E), U-81-36(1E)
Page 1

ALASKA PUBLIC UTILITIES COMMISSION
1100 MacKay Building - 338 Denali Street
Anchorage, Alaska 99501
Phone 276-6222



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