

COMMITTEE REPORT
SENATE

FURTHER: None

6/19/81

Date: 6/22/81

Mr. President:

The Committee on FINANCE has had CSHB 434 (Jud) am

merging the Alaska Pipeline Commission with the Alaska Public Utilities Commission

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with ^SCS for CSHB 434 (Jud) same title
 new title
- and recommends Do Pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Handwritten Signature]

[Handwritten Signature]

[Handwritten Signature]

CHAIRMAN

AMENDMENT

OFFERED IN THE SENATE:

By: Senate Finance Committee

To: SCS CS SENATE BILL No. _____

HOUSE BILL No. 434 (Res)

PAGE: _____

LINE: _____

Page 5, line 15:

after "section," insert "or prohibited from disclosure
under state or federal law,"

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 434. An act relating to pipelines and merging the
Title Alaska Pipeline Commission w/the Alaska Public Utilities Commission
Requested by Governor Date 6/22/81

II. FISCAL DETAIL

Agency Affected Department of Commerce and Economic Development
Program Category Affected Public Protection
BRU, Program, or Subprogram(s) Affected Alaska Public Utilities Comm./Alaska Pipeline Comm.
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES			0			
200 TRAVEL			0			
300 CONTRACTUAL			0			
400 COMMODITIES			0			
500 EQUIPMENT			0			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			0			

FUNDING (Thousands of Dollars)

GENERAL FUND			0			
FEDERAL FUNDS			0			
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME			0			
PART TIME			0			
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE 6/22/81 PREPARED BY Senator Don Bennett
AGENCY CU-Chairman, Senate Finance Committee
PHONE 465-3714
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

Original sponsor: Rules/Governor

Offered: 6/19/81
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 434 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to pipelines and merging the Alaska
7 Pipeline Commission with the Alaska Public Utilities
8 Commission; and providing for an effective date."

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

10 * Section 1. AS 31.15.050(1) is amended to read:

11 (1) "commission" means the Alaska Public Utilities [PIPELINE]
12 Commission;

13 * Sec. 2. AS 38.35.120(a)(5) is amended to read:

14 (5) it will provide connections, as determined by the Alaska
15 Public Utilities [PIPELINE] Commission under AS 42.06.340, to facili-
16 ties on the pipeline subject to the lease, both on state land and other
17 land in the state, for the purpose of delivering crude oil or natural
18 gas, depending on the kind of pipeline involved, to persons (including
19 the state and its political subdivisions) contracting for the purchase
20 at wholesale of crude oil or natural gas transported by the pipeline
21 when required by the public interest;

22 * Sec. 3. AS 38.35.120(a)(7) is amended to read:

23 (7) it will construct and operate the pipeline in accordance
24 with applicable state laws and lawful regulations and orders of the
25 Alaska Public Utilities [PIPELINE] Commission;

26 * Sec. 4. AS 39.25.120(10) is amended to read:

27 (10) the executive director, [AND] deputy director, hearing
28 officers, and administrative law judges of the Alaska Public Utilities
29 Commission;

1 * Sec. 5. AS 42.05.121(a) is amended to read:

2 (a) The commission may employ an executive director who shall
3 have had at least five years of experience in public utility management
4 or regulation, law, accounting, engineering, or an allied field. The
5 executive director is responsible for directing the administrative
6 functions of the commission and carrying out the policies as set by the
7 commission. The commission may employ engineers, hearing officers,
8 administrative law judges to the extent provided by AS 42.05.121(c),
9 experts, clerks, accountants, and other agents and assistants it
10 considers necessary. Employees [THE EXECUTIVE DIRECTOR AND HIS DEPUTY
11 ARE IN THE PARTIALLY EXEMPT SERVICE UNDER AS 39.25.120. ALL OTHER
12 EMPLOYEES] and agents of the commission who are not partially exempt
13 under AS 39.25.120, other than legal counsel, are in the classified
14 service under AS 39.25.100.

15 * Sec. 6. AS 42.05.121 is amended by adding a new subsection to read:

16 (c) The commission may assign a qualified, unbiased, and impartial
17 administrative law judge, with experience in the general practice of
18 law, to conduct hearings under AS 42.06. The administrative law judge
19 may perform other duties in connection with the administration of
20 AS 42.06 and other laws. An administrative law judge hired to conduct
21 hearings under AS 42.06 shall have been admitted to practice law for at
22 least five years immediately before his appointment.

23 * Sec. 7. AS 42.05.171 is amended to read:

24 Sec. 42.05.171. FORMAL HEARINGS. A formal hearing which the
25 commission has power to hold may be held by or before three or more
26 commissioners, a hearing officer, or an administrative law judge desig-
27 nated for the purpose by the commission. The testimony and evidence in
28 a formal hearing may be taken by the commissioners, by the hearing
29 officer, or by the administrative law judge to whom the hearing has

1 been assigned. A commissioner who has not heard or read the testimony,
2 including the argument, may not participate in making a decision of the
3 commission. In determining the place of a hearing the commission shall
4 give preference to holding the hearing at a place most convenient for
5 those interested in the subject of the hearing.

6 * Sec. 8. AS 42.05.671 is repealed and reenacted to read:

7 Sec. 42.05.671. PUBLIC RECORDS. (a) Except as provided in (b)
8 of this section, records that are in the possession of the commission
9 are open to public inspection at reasonable times.

10 (b) The commission may, by regulation, classify the records
11 submitted to it by regulated utilities as privileged records that are
12 not open to the public for inspection. However, if a record involves
13 an application or tariff filing pending before the commission, the
14 commission shall release the record for the purpose of preparing for or
15 making a presentation to the commission in the proceeding if the record
16 or information derived from the record will be used by the commission
17 in the proceeding.

18 (c) A person may make written objection to the public disclosure
19 of information contained in a record under the provisions of this
20 chapter or of information obtained by the commission under the pro-
21 visions of this chapter, stating the grounds for the objection. When
22 an objection is made, the commission may not order the information
23 withheld from public disclosure unless the information adversely
24 affects the interest of the person making written objection and
25 disclosure is not required in the interest of the public.

26 (d) In this section, "record" means a report, file, book, account,
27 paper, or application, and the facts and information contained in it.

28 * Sec. 9. AS 42.06.150 is amended to read:

29 CHAPTER 06. [ALASKA] PIPELINE [COMMISSION] ACT.

1 Sec. 42.06.150. POWERS AND DUTIES WITH RESPECT TO FEDERALLY REGU-
2 LATED CARRIERS. AS 42.06.140 applies to oil and gas pipeline carriers
3 regulated under federal law [THE INTERSTATE COMMERCE ACT OF 1906, OR
4 THE NATURAL GAS ACT OF 1938,] only to the extent not preempted by
5 [UNDER THOSE] federal law [ACTS].

6 * Sec. 10. AS 42.06.230 is amended to read:

7 Sec. 42.06.230. JURISDICTION OF COMMISSION. Except [AS OTHERWISE
8 PROVIDED IN THIS CHAPTER OR HEREAFTER OTHERWISE EXPRESSLY PROVIDED BY
9 LAW, EXCEPT AS TO ANY CONCURRENT JURISDICTION WITH THE ALASKA PUBLIC
10 UTILITIES COMMISSION UNDER AS 42.05 AS TO A PUBLIC UTILITY DESCRIBED IN
11 AS 42.05.701(2)(D) AND (E), AND EXCEPT] as to jurisdiction of the
12 Department of Law as provided by AS 42.06.140(10), the jurisdiction and
13 authority over the subject matter of this chapter is exclusively in the
14 commission. To the extent that the performance of any duties of the
15 commission affects [AFFECT] a pipeline carrier or a pipeline subject to
16 regulation under federal law [THE INTERSTATE COMMERCE ACT OR THE
17 NATURAL GAS ACT], the performance of its duties shall not, as to that
18 pipeline carrier or pipeline, conflict with applicable federal laws,
19 regulations, rules, orders, or other requirements.

20 * Sec. 11. AS 42.06.240(e) is amended to read:

21 (e) The requirement for a certificate does [SHALL] not operate to
22 impose state regulation which has been preempted under federal law [THE
23 INTERSTATE COMMERCE ACT OF 1906 OR THE NATURAL GAS ACT OF 1938]. When
24 federal law has preempted state regulation the commission shall accept
25 the findings made under the federal scheme of regulation.

26 * Sec. 12. AS 42.06.245 is amended to read:

27 Sec. 42.06.245. FEDERALLY REGULATED CARRIERS. The requirements
28 of this chapter pertaining to permits and certificates of public con-
29 venience and necessity do not apply to the construction of a pipeline

1 facility exclusively subject to federal [THE] jurisdiction [OF THE
2 INTERSTATE COMMERCE ACT OR THE NATURAL GAS ACT] or to the interstate
3 portion of the business of a pipeline or pipeline carrier exclusively
4 subject to federal [THE] jurisdiction [OF THE INTERSTATE COMMERCE ACT
5 OR THE NATURAL GAS ACT]; however, the requirements of this chapter for
6 permits and certificates of public convenience and necessity do apply
7 to all the intrastate portion of the business of a pipeline or pipeline
8 carrier subject to federal jurisdiction [THE INTERSTATE COMMERCE ACT
9 AND THE NATURAL GAS ACT] whenever they engage in intrastate commerce;
10 [PROVIDED,] however, nothing limits the powers of the commission set
11 out in this chapter except to the extent they are preempted by federal
12 law [THE INTERSTATE COMMERCE ACT OR THE NATURAL GAS ACT].

13 * Sec. 13. AS 42.06.510 is repealed and reenacted to read:

14 Sec. 42.06.510. PUBLIC RECORDS. (a) Except as provided in (b)
15 and (c) of this section, records that are in the possession of the
16 commission are open to public inspection at reasonable times.

17 (b) The commission may, by regulation, classify records submitted
18 to it by regulated pipeline carriers or pipelines as privileged records
19 that are not open to the public for inspection. However, if a record
20 involves an application or tariff filing pending before the commission,
21 the commission may release the record for the purpose of preparing for
22 or making a presentation to the commission in the proceeding if the
23 record or information derived from the record is considered by the
24 commission to be relevant to an issue in the proceeding, and if the
25 record or information will be used by the commission in the proceeding.
26 A record or information that the commission releases under this subsection
27 may be released only after giving to the party that filed the
28 record or information reasonable notice of its intention to release the
29 record or information and opportunity to object to that release.

1 (c) A document filed with the commission that relates to the
2 finances or operations of a pipeline subject to federal jurisdiction
3 and that is in addition to or other than the copy of a document required
4 to be filed with the appropriate federal agency is open to inspection
5 only by an appropriate officer or official of the state for relevant
6 purposes of the state.

7 (d) A person may make written objection to the public disclosure
8 of information contained in a record filed under the provisions of this
9 chapter or of information obtained by the commission under the provi-
10 sions of this chapter, stating the grounds for the objection. When an
11 objection is made, the commission shall order the information withheld
12 from public disclosure if the information adversely affects the interest
13 of the person making written objection and disclosure is not required
14 in the interest of the public.

15 (e) A commissioner, and the executive director, may certify as to
16 all official records of the commission under this section and may
17 certify as to all official acts of the commission under this chapter.

18 (f) In this section, "record" means a report, file, book, account,
19 paper, or application, and the facts and information contained in it.

20 * Sec. 14. AS 42.06.630(1) is amended to read:

21 (1) "commission" means the Alaska Public Utilities [PIPE-
22 LINE] Commission;

23 * Sec. 15. AS 42.06.630(6) is amended to read:

24 (6) "municipality" means a home rule or general law borough
25 or city, including a municipality unified under AS 29.68 [AN ORGANIZED
26 BOROUGH OR INCORPORATED CITY];

27 * Sec. 16. AS 42.06.640 is amended to read:

28 Sec. 42.06.640. SHORT TITLE. This chapter may be cited as the
29 [ALASKA] Pipeline [COMMISSION] Act.

1 * Sec. 17. AS 43.56.210(6)(B)(iii) is amended to read:

2 (iii) oil and gas pipeline systems owned and
3 operated by a [CERTIFICATED] public utility that is
4 certificated under AS 42.05.221 and is regulated by the
5 Alaska Public Utilities Commission; and

6 * Sec. 18. TRANSITION. (a) All orders, determinations, regulations,
7 contracts, certificates, decisions, and privileges that have been issued,
8 made, adopted, granted, or allowed to become effective by the Alaska Pipe-
9 line Commission or by a court of competent jurisdiction, in the performance
10 of functions or in the conduct of proceedings that are transferred by this
11 Act, continue in effect according to their terms until modified, terminated,
12 superseded, set aside, or revoked in accordance with law by the Alaska
13 Public Utilities Commission or other authorized officials, a court of com-
14 petent jurisdiction, or by operation of law.

15 (b) The provisions of this Act do not affect a tariff proceeding or an
16 application for a certificate that is pending before the Alaska Pipeline
17 Commission on the effective date of this Act, but these proceedings and the
18 processing of applications continue under the Alaska Public Utilities Com-
19 mission. Orders shall be issued in these proceedings, and appeals may be
20 taken from them, as if this Act had not been enacted; and orders issued in
21 these proceedings continue in effect until modified, terminated, superseded,
22 or revoked by an authorized official, or by a court of competent jurisdic-
23 tion or by operation of law. Nothing in this subsection prohibits the
24 discontinuance or modification of these proceedings under the same terms and
25 conditions and to the same extent that these proceedings could have been
26 discontinued or modified if this Act had not been enacted.

27 (c) The Alaska Public Utilities Commission, with the advice of the
28 Alaska Pipeline Commission, shall provide for the orderly transfer of pro-
29 ceedings from the Alaska Pipeline Commission to the Alaska Public Utilities

1 Commission.

2 (d) Except as provided in this subsection, the personnel employed in
3 connection with, and the personnel positions, assets, liabilities, contracts,
4 property, records, and unexpended balances of appropriations, authorizations,
5 allocations, and other funds employed, held, used, arising from, available
6 to or to be made available with, the functions and programs transferred by
7 this Act are transferred from the Alaska Pipeline Commission to the Alaska
8 Public Utilities Commission for appropriate allocation in accordance with
9 law. The positions of commissioner and of executive director of the Alaska
10 Pipeline Commission are abolished.

11 * Sec. 19. REFERENCES TO PIPELINE COMMISSION. All other references in
12 the Alaska Statutes to the Alaska Pipeline Commission, or to the commis-
13 sioners of the Alaska Pipeline Commission, not expressly amended by or
14 referred to in this Act shall be read as the Alaska Public Utilities Commis-
15 sion, or the commissioners of the Alaska Public Utilities Commission, re-
16 spectively, in order to implement this Act.

17 * Sec. 20. AS 39.50.200(b)(22); AS 42.06.010 - 42.06.120, 42.06.160 -
18 42.06.200, 42.06.490 - 42.06.500, 42.06.630(5) and (7); AS 44.62.330(a)(37);
19 and AS 44.66.010(a)(5) are repealed.

20 * Sec. 21. Sections 1 - 17, 18(a), (b), and (d), 19 and 20 of this Act
21 take effect July 1, 1981.

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Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 485-3834
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Senate

Committee on Resources

MEMORANDUM

TO: SENATOR ED DANKWORTH
CO-CHAIRMAN, SENATE FINANCE COMMITTEE

SENATOR DON BENNETT
CO-CHAIRMAN, SENATE FINANCE COMMITTEE

THRU: SENATOR BETTYE FAHRENKAMP
CHAIRMAN, SENATE RESOURCES COMMITTEE

FROM: JIM PALMER
SENATE RESOURCES COMMITTEE STAFF

RE: DRAFTING ERROR IN RESOURCES COMMITTEE SUBSTITUTE FOR SB 434

DATE: JUNE 19, 1981

On page 5 of the SCS for CS for House Bill No. 434 (Resources), additional wording was left out on line 15 which was intended to be included in the committee substitute. This missing language was intended to be included after the word "section" and is "or prohibited from disclosure under state or federal law".

Please insert this language when this measure comes before you for committee consideration.

Original sponsor: Rules/Governor

Offered: 5/19/81
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2

CS FOR HOUSE BILL NO. 434 (Judiciary) am

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to pipelines and merging the Alaska

7

Pipeline Commission with the Alaska Public Utilities

8

Commission; and providing for an effective date."

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

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5 executive director is responsible for directing the administrative
6 functions of the commission and carrying out the policies as set by the
7 commission. The commission may employ engineers, hearing officers,
8 administrative law judges to the extent provided by AS 42.05.121(c),
9 experts, clerks, accountants, and other agents and assistants it
10 considers necessary. Employees [THE EXECUTIVE DIRECTOR AND HIS DEPUTY
11 ARE IN THE PARTIALLY EXEMPT SERVICE UNDER AS 39.25.120. ALL OTHER
12 EMPLOYEES] and agents of the commission who are not partially exempt
13 under AS 39.25.120, other than legal counsel, are in the classified
14 service under AS 39.25.100.

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17 administrative law judge, with experience in the general practice of
18 law, to conduct hearings under AS 42.06. The administrative law judge
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8 of this section, records which are in the possession of the commission
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11 submitted to it by regulated utilities as privileged records which are
12 not open to the public for inspection. However, if a record involves
13 an application or tariff filing pending before the commission, the
14 commission shall release the record for the purpose of preparing for or
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16 or information derived from the record will be used by the commission
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19 of information contained in a record under the provisions of this
20 chapter or of information obtained by the commission under the pro-
21 visions of this chapter, stating the grounds for the objection. When
22 an objection is made, the commission may not order the information
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24 affects the interest of the person making written objection and
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10 UTILITIES COMMISSION UNDER AS 42.05 AS TO A PUBLIC UTILITY DESCRIBED IN
11 AS 42.05.701(2)(D) AND (E), AND EXCEPT] as to jurisdiction of the
12 Department of Law as provided by AS 42.06.140(10), the jurisdiction and
13 authority over the subject matter of this chapter is exclusively in the
14 commission. To the extent that the performance of any duties of the
15 commission affects [AFFECT] a pipeline carrier or a pipeline subject to
16 regulation under federal law [THE INTERSTATE COMMERCE ACT OR THE
17 NATURAL GAS ACT], the performance of its duties shall not, as to that
18 pipeline carrier or pipeline, conflict with applicable federal laws,
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24 federal law has preempted state regulation the commission shall accept
25 the findings made under the federal scheme of regulation.

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3 portion of the business of a pipeline or pipeline carrier exclusively
4 subject to federal [THE] jurisdiction [OF THE INTERSTATE COMMERCE ACT
5 OR THE NATURAL GAS ACT]; however, the requirements of this chapter for
6 permits and certificates of public convenience and necessity do apply
7 to all the intrastate portion of the business of a pipeline or pipeline
8 carrier subject to federal jurisdiction [THE INTERSTATE COMMERCE ACT
9 AND THE NATURAL GAS ACT] whenever they engage in intrastate commerce;
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26 finances or operations of a pipeline subject to federal jurisdiction
27 and which is in addition to or other than the copy of a document
28 required to be filed with the appropriate federal agency is open to
29 inspection only by an appropriate officer or official of the state for

1 relevant purposes of the state.

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3 of information contained in a record filed under the provisions of this
4 chapter or of information obtained by the commission under the provi-
5 sions of this chapter, stating the grounds for the objection. When an
6 objection is made, the commission may not order the information
7 withheld from public disclosure unless the information adversely
8 affects the interest of the person making written objection and disclo-
9 sure is not required in the interest of the public.

10 (e) A commissioner, and the executive director, may certify as to
11 all official records of the commission under this section and any
12 certify as to all official acts of the commission under this chapter.

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14 paper, or application, and the facts and information contained in it.

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3 made, adopted, granted, or allowed to become effective by the Alaska Pipe-
4 line Commission or by a court of competent jurisdiction, in the performance
5 of functions or in the conduct of proceedings which are transferred by this
6 Act, continue in effect according to their terms until modified, terminated,
7 superseded, set aside, or revoked in accordance with law by the Alaska
8 Public Utilities Commission or other authorized officials, a court of com-
9 petent jurisdiction, or by operation of law.

10 (b) The provisions of this Act do not affect a tariff proceeding or an
11 application for a certificate which is pending before the Alaska Pipeline
12 Commission on the effective date of this Act, but these proceedings and the
13 processing of applications continue under the Alaska Public Utilities Com-
14 mission. Orders shall be issued in these proceedings, and appeals may be
15 taken from them, as if this Act had not been enacted; and orders issued in
16 these proceedings continue in effect until modified, terminated, superseded,
17 or revoked by an authorized official, or by a court of competent jurisdic-
18 tion or by operation of law. Nothing in this subsection prohibits the
19 discontinuance or modification of these proceedings under the same terms and
20 conditions and to the same extent that these proceedings could have been
21 discontinued or modified if this Act had not been enacted.

22 (c) The Alaska Public Utilities Commission, with the advice of the
23 Alaska Pipeline Commission, shall provide for the orderly transfer of pro-
24 ceedings from the Alaska Pipeline Commission to the Alaska Public Utilities
25 Commission.

26 (d) Except as provided in this subsection, the personnel employed in
27 connection with, and the personnel positions, assets, liabilities, contracts,
property, records, and unexpended balances of appropriations, authorizations,
allocations, and other funds employed, held, used, arising from, available

1 to or to be made available with, the functions and programs transferred by
2 this Act are transferred from the Alaska Pipeline Commission to the Alaska
3 Public Utilities Commission for appropriate allocation in accordance with
4 law. The positions of commissioner and of executive director of the Alaska
5 Pipeline Commission are abolished.

6 * Sec. 19. REFERENCES TO PIPELINE COMMISSION. All other references in
7 the Alaska Statutes to the Alaska Pipeline Commission, or to the commis-
8 sioners of the Alaska Pipeline Commission, not expressly amended by or
9 referred to in this Act shall be read as the Alaska Public Utilities Commis-
10 sion, or the commissioners of the Alaska Public Utilities Commission, re-
11 spectively, in order to implement this Act.

12 * Sec. 20. AS 39.50.200(b)(22); AS 42.06.010 - 42.06.120, 42.06.160 -
13 42.06.200, 42.06.490 - 42.06.500, 42.06.630(5) and (7); AS 44.62.330(a)(37);
14 and AS 44.66.010(a)(5) are repealed.

15 * Sec. 21. Sections 1 - 17, 18(a), (b), and (d), 19 and 20 of this Act
16 take effect July 1, 1981.

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HOUSE JOURNAL

COMMITTEE LETTER TO ACCOMPANY
CSHB 434 (JUDICIARY)

May 19, 1981

The Honorable Jim Duncan
Speaker of the House
Room 214, Capitol

Dear Mr. Speaker:

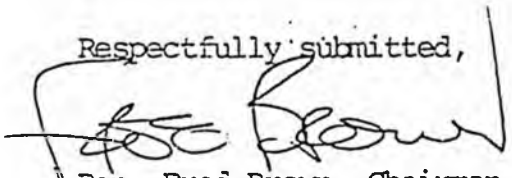
Your Judiciary Committee has had under consideration HB 434 which would cause a merger between the Alaska Pipeline Commission and the Alaska Public Utilities Commission, and address certain matters involving the powers of the Alaska Public Utilities Commission following the merger.

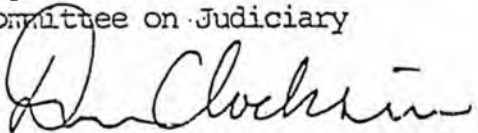
We have limited the ability of the Public Utilities Commission to use administrative law judges, as proposed in the original legislation, only to those cases directly involving the jurisdiction of the old Pipeline Commission.

In addition, we have made several minor technical amendments to the legislation.


The committee is of the opinion that there have been some negotiations and considerations relating to appointments following possible passage of this legislation that should be more carefully examined by the executive. For this reason, we are sending a letter to the Governor of Alaska relating to the legislation and to the appointments. A copy of that letter is enclosed with this letter for your information and for inclusion in the House Journal along with this committee letter.

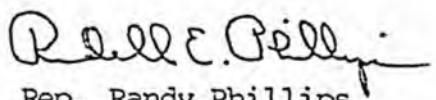
Respectfully submitted,


Rep. Fred Brown, Chairman
Committee on Judiciary

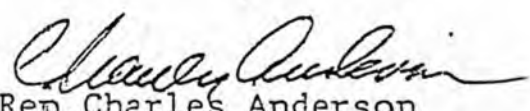

Rep. Don Clocksin, Vice Chairman
Committee on Judiciary


Rep. Mike Miller


Rep. Joe Chuckruk


Rep. Randy Phillips


Rep. Pat O'Connell


Rep. Charles Anderson

HOUSE JOURNAL

May 19, 1981

The Honorable Jay Hammond
Governor of Alaska
Third Floor, Capitol
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

The Committee on Judiciary in the House of Representatives has considered House Bill 434, sought by your administration, which would merge the functions of the Alaska Pipeline Commission with those of the Alaska Public Utilities Commission, and provide for the use of administrative law judges in some cases.

We are taking a rather unusual step in communicating directly to you in a letter which is also an enclosure with our Committee Letter, both to be printed in the House Journal.

While the committee has passed the bill to the Rules Committee, and the bill may well become law, we are concerned about some matters that came before us during consideration of the legislation.

Particularly, at least one view of the testimony in our committee is that certain arrangements have been made to assure appointments of all persons presently active in the Pipeline Commission and the Public Utilities Commission following the merger of these commissions.

While we do not presume to question the qualifications of any one member, we are concerned about the methods of appointments of public officials generally.

It is strongly the view of the members of the Committee on Judiciary in the House of Representatives that appointments to boards and commissions, particularly ones which have a tremendous impact upon the economy of the State of Alaska and its industrial organizations, be made based upon the qualifications, experience and integrity of the prospective appointees and upon the most enlightened view of the public interest, without regard to issues of personalities or so-called "job security".

The committee wishes to believe that the executive authority would appoint persons based upon their qualifications and upon the public interest. The committee is concerned that persons who sit on the Alaska Public Utilities Commission should have the benefit of at least one commissioner who has some experience in the operations of the utility. Also, the committee believes that an understanding of the problems peculiar to Alaska's rural areas is important in the qualifications of any candidate for a regulatory commission in Alaska, particularly this one.

HOUSE JOURNAL

Page two
Governor Hammond
May 19, 1981

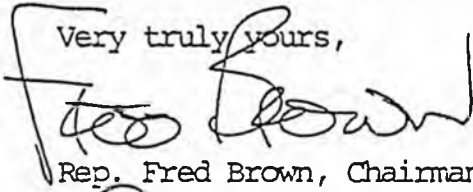
It may well be that after consideration of the above remarks and consideration of other matters relating to the qualifications of prospective appointees, legal requirements for experience of appointees, and the most enlightened view of the public interest, the appointing authority may appoint the same persons now in responsible positions of the Pipeline Commission and the Public Utilities Commission to the various slots available after the merger in the event of passage of the legislation.

However, the appearances derived from the testimony before the committee were that a game of "musical chairs" was being played, relating to those positions.

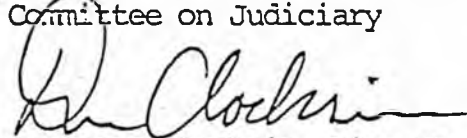
We are sure that you understand our concerns.

Thank you very much for taking these matters into account in your considerations that relate to possible passage of this legislation.

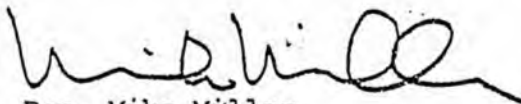
Very truly yours,



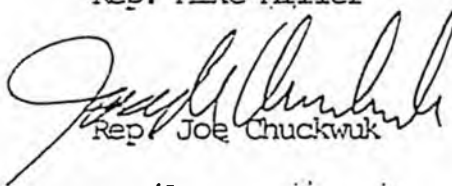
Rep. Fred Brown, Chairman
Committee on Judiciary



Rep. Don Clocksin, Vice Chairman
Committee on Judiciary

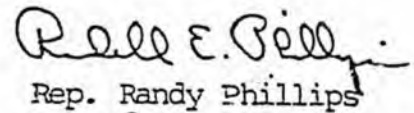


Rep. Mike Miller

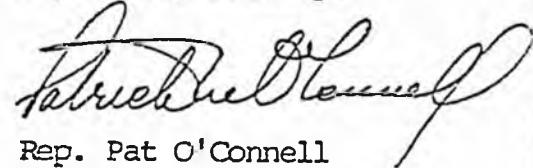


Rep. Joe Chuckwuk

FEB/cmm



Rep. Randy Phillips



Rep. Pat O'Connell



Rep. Charles Anderson

A M E N D M E N T

OFFERED IN THE SENATE:

By: Senate Finance Committee

To: SCS CS SENATE BILL No. _____

HOUSE BILL No. 434 (Res)

PAGE: _____

LINE: _____

Page 5, line 15:

after "section," insert "or prohibited from disclosure
under state or federal law,"



143434

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 31, 1981

The Honorable Jim Duncan
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill transferring the authority for the administration of the Alaska Pipeline Commission (APC) Act (AS 42.06) to the Alaska Public Utilities Commission (APUC -- AS 42.05), effective July 1, 1981.

In response to "sunset" audits by the legislature, I directed the commissioners of the APC and the APUC to study the feasibility of merger. On the assumption that a seven-member commission would be recommended, I did not fill the currently vacant APC seat. The present APC commissioners recommended the elimination of their positions and the transfer of their statutory responsibilities to the APUC as presently constituted. The APUC concurred with their recommendation.

I believe that enactment of this bill will result in a more efficient method of regulating both public utilities and pipelines.

After merger, the APUC will thoroughly study any actual or potential conflicts between AS 42.05 and AS 42.06. The attached bill makes a number of amendments to make those two chapters compatible with each other. But time and experience will probably disclose other desirable changes.

The bill contains six major groups of provisions. First, sec. 13 of the bill effects a merger of the APC with the APUC by transferring to the APUC responsibility for the administration of the Pipeline Act, while sec. 15 of the bill establishes the new title for AS 42.06. Section 17 of the bill provides for the orderly transfer of the functions, powers and duties of the pending proceedings before, as well as the personnel, appropriations, and property of, the APC to the APUC.

In secs. 1, 2, and 3 of the bill, the APUC would be substituted for references to the APC in the statute governing common purchasers of oil (AS 31.15) and in the applicable provisions of the Right-of-Way Leasing Act (AS 38.35). Also, sec. 18 of the bill authorizes the substitution of the APUC for other references to the APC elsewhere in the Alaska Statutes. Additionally, secs. 8 -- 12 of the bill update references to relevant federal law. Since enactment of AS 42.06 in 1972, other federal legislation has been enacted that, arguably, affects the APC's jurisdiction. To avoid the necessity of making continual amendments to this state statute to reflect changes in federal law, substitution of general for specific references to applicable federal law is more appropriate and keeps the Alaska Statutes current. Section 14 clarifies the definition of "municipality" and conforms it to the more contemporary definition employed elsewhere in the Alaska Statutes.

Second, sec. 5 of the bill clarifies the authority of the APUC to employ an individual as executive director who possesses a professional background in engineering. This corrects an oversight in the 1978 legislation (sec. 2, ch. 103, SLA 1978). As a general rule, engineering is not considered a field "allied" to law or accounting. However, both the APC and the APUC employ engineers on their respective staffs, and a well-qualified engineer should not be precluded from applying for, or serving in the capacity of the commission's executive director.

Third, secs. 5 and 6 of the bill also authorize employment of administrative law judges to conduct proceedings subject to APUC jurisdiction. This is a position widely employed by comparable regulatory agencies in other states. Here it is designed primarily to permit an exceptionally well-qualified individual to serve as co-presiding officer in the joint hearings with the Federal Energy Regulatory Commission (FERC) which is considering the various phases of the Trans-Alaska Pipeline System tariff case that is subject to both federal and state jurisdiction. It is important that an individual selected to represent the State of Alaska be of equivalent stature to the FERC administrative law judge assigned to preside over this unique concurrent proceeding. To this end, secs. 4 and 5 classify the positions of hearing officer and administrative law judge in the partially exempt service -- a step employed by the Alaska Transportation Commission at the last legislative session. Sec. 22, ch. 115, SLA 1980.

Fourth, to facilitate commission consideration of the record where hearings are being conducted by a hearing officer or an administrative law judge, sec. 7 of the bill would permit commissioners serving on the decision-

making panel to read the hearing record rather than to require that they hear the evidence and argument in person. This amendment conforms to the existing practice and procedure both before the APUC, under 3 AAC 48.150(b), and the APC by stipulation, when less than a quorum of commissioners hears a case. The same rationale I advanced in my letter of transmittal with respect to sec. 1 of House Bill 81 (1981 H.J., p. 154 [Feb. 4, 1981]) is applicable here.

Fifth, sec. 16 of the bill makes clear that when the APC's regulatory authority over pipelines is transferred to the APUC, the exemption from the pipeline transportation property tax, specified in AS 43.56.210(6)(B)(iii), does not apply to such entities as the Trans-Alaska Pipeline System.

Finally, sec. 19 of the bill eliminates existing administrative provisions relating to the APC that no longer are necessary in a merged organization or that are covered by virtually identical provisions in AS 42.05. Two sections governing the filing and consideration of complaints (AS 42.06.490 -- 42.06.500) also are repealed. These are the two sections of AS 42.06 most seriously in conflict with existing APUC procedure. Compare AS 42.06.490 -- 42.06.500 with 3 AAC 48.130.

I am pleased to say that the members of both the APC and the APUC endorse this legislation.

Sincerely,

S/SSH

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 434 An act relating to pipelines and merging
Title the Alaska Pipeline Commission w/the Alaska Public Utilities Commission
Requested by Governor Date _____

II. FISCAL DETAIL
Agency Affected Department of Commerce and Economic Development
Program Category Affected Public Protection
BRU, Program, or Subprogram(s) Affected Alaska Public Utilities Commission/Alaska Pipeline Commission
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		2128.7				
200 TRAVEL		89.0				
300 CONTRACTUAL		742.6				
400 COMMODITIES		15.9				
500 EQUIPMENT		5.4				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
		2981.6				

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND		2952.6				
FEDERAL FUNDS		29.0				
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		48				
PART TIME		2				
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The budgets of the Alaska Public Utilities Commission and the Alaska Pipeline Commission are combined deleting the Alaska Pipeline Commission's Executive Director position and salary.

The salary of one commissioner will be allocated for the Administrative Law Judge (ALJ) and the monies allocated for the two remaining commissioner positions will be used for staff for the ALJ. It is contemplated that a law clerk or paralegal, clerical support and office space, supplies and equipment will be funded from these monies.

IV. DATE 3/31/81 PREPARED BY Caroline A. Duss
AGENCY ADPC
PHONE 276-6222
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)