

**HB**

**572**

Date Referred: February 28, 1990

FURTHER REFERRALS:

JUDICIARY

Date of Committee Action: 4-9-90

The RESOURCES Committee considered:

HB 572

HOUSE BILL NO. 572

PIPELINE TARIFF CASE MANAGEMENT

"An Act relating to management of cases involving interstate regulation of pipeline carriers."

RECOMMENDATIONS:

- be replaced with CS HB 572 (RES)  the same title
- a new title
- have attached amendment(s)
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(s):  
(Dept)

APPROVES PREVIOUS: (Date/Dept)

- fiscal impact NR
- zero fiscal note \_\_\_\_\_
- zero with analysis \_\_\_\_\_

- fiscal note(s) \_\_\_\_\_
- zero fiscal note(s) \_\_\_\_\_
- zero fn/analysis \_\_\_\_\_

SIGNING DO PASS:

\_\_\_\_\_  
*Cliff Davidson* DAVIDSON  
*Carol Menard* MENARD  
*Jacko* JACKO  
*Richard Foster* FOSTER  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

SIGNING:  
(Check approb. column)

Do Not Pass No Rec Amend

	Do Not Pass	No Rec	Amend
<i>Bill Hudson</i> HUDSON		<input checked="" type="checkbox"/>	
<i>Scott Sharp</i> SHARP		<input checked="" type="checkbox"/>	
<i>W. Furnace</i> FURNACE	<input checked="" type="checkbox"/>		
_____			
_____			
_____			
_____			

*Cliff Davidson*  
Chairman's Signature

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Management of cases involving inter-  
state regulation of pipeline carriers  
Sponsor: House Resources  
Requestor: House Resources

Agency Affected: Department of Revenue  
BRU: Oil & Gas Audit Division

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
<b>OPERATING</b>						
PERSONAL SERVICES	325.0	325.0	325.0	325.0	325.0	325.0
TRAVEL	30.0	30.0	30.0	30.0	30.0	30.0
CONTRACTUAL	200.0	200.0	200.0	200.0	200.0	200.0
SUPPLIES	5.0	5.0	5.0	5.0	5.0	5.0
EQUIPMENT	39.0	0	0	0	0	0
LANDS & STRUCTURES	21.0	21.0	21.0	21.0	21.0	21.0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>620.0</b>	<b>581.0</b>	<b>581.0</b>	<b>581.0</b>	<b>581.0</b>	<b>581.0</b>
<b>CAPITAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVENUE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FUNDING: (Thousands of Dollars)

GENERAL FUND	620.0	581.0	581.0	581.0	581.0	581.0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>620.0</b>	<b>581.0</b>	<b>581.0</b>	<b>581.0</b>	<b>581.0</b>	<b>581.0</b>

POSITIONS:

FULL-TIME	5	5	5	5	5	5
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page for analysis.

Prepared By: Richard Brewer  
Division: Oil & Gas Audit Division

Phone: 276-1363  
Date: March 20, 1990

Approved by Commissioner: Hugh Malone  
Agency: Department of Revenue

Date: 3/20/90

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Transfer of Responsibility for Federal Pipeline Tariff Proceedings from Department of Law to Department of Natural Resources

This bill amends AS 42.06.140 to give the Department of Natural Resources (DNR), which is currently expanding its pipeline monitoring role, direct control of the inter-state pipeline tariff management. To make sure that revenue and environmental consequences of pipeline tariffs receive due weight, DNR should coordinate its efforts closely with the Departments of Revenue, Environmental Conservation, Fish and Game and Law.

This change would reduce critical delays in apprehension of resource management problems. (Procedurally, in the short run this shift would make little difference, since Law would still be the legal arm for the Department of Natural Resources.) The central premise of HB 572 is that pipeline tariffs directly impact resource development issues and should therefore be managed by a line agency.

The Department of Law was assigned this function in 1976 under AS 42.06.140(a)(10), apparently pursuant to its statutory mandate under AS 44.23.050 to appear as attorney before distant courts. When the Alaska Pipeline Commission became part of the APUC in 1981, the same arrangement with the Department of Law was carried over.

— [Statute Reference: AS 42.06.140(a)(10); AS 42.06.230; AS 44.37.020(c)]

— [See Fineberg Report: recommendation #12 (Chapter IV, p. 28)]

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU ALASKA 99811  
907 465 3800


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 9, 1990

SUBJECT: House Bill 572 -- sectional analysis

TO: Representative Cliff Davidson, Co-Chair  
House Resources Committee

FROM: Jack Chenoweth  
Legislative Counsel 

The measure would re-assign the responsibility for representing the interests of the state in certain federal proceedings relating to the interstate regulation of pipelines from the Department of Law to the Department of Natural Resources.

Bill section 1 enunciates the purpose of the bill.

The principal operative provision of the measure appears in bill section 4, adding a new subsection to the duties of the Department of Natural Resources. The department is given "principal responsibility in all federal proceedings involving the interstate regulation of a pipeline carrier."

The amendments set out in bill sections 2 and 3, both applicable to the Alaska Public Utilities Commission, make related changes necessitated by the shift of responsibility in federal proceedings to the Department of Natural Resources.

JBC:lmb  
L10/007

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: "... relating to... cases involving  
 interstate regulation of pipeline carriers."  
 Sponsor: House Resources  
 Requestor: House Resources

Agency Affected: Department of Law  
 BRU: Oil and Gas Special Projects  
 Components: Operations

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>						
<b>REVENUE</b>						

**FUNDING:** (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Please see the attached analysis.

*Richard I. Pegues*

Prepared by: Richard I. Pegues, Director  
 Division: Administrative Services

Phone: 465-3672  
 Date: March 21, 1990

Approved by Commissioner: Richard I. Pegues / FOR /  
Douglas B. Bailly, Attorney General  
 Agency: Department of Law

Date: March 21, 1990

**Distribution (by preparer):**

- Legislative Finance.
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

# CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 572

This bill amends AS 42.06.140(a) and adds a new subsection to AS 44.37.020 in a way that transfers responsibility for representation of the interests of the state, in federal proceedings involving regulation of pipeline carriers, from the Department of Law to the Department of Natural Resources.

If it is the intent of the legislation to change the state agency client status for pipeline matters before the Federal Energy Regulatory Commission, the Department of Law has no objection to the bill and there should not be a fiscal impact. If, on the other hand, it is the intent of the legislation to confer primary responsibility for representation of the state in legal proceedings in this or any other forum (as is stated in Section 1 of the bill), to a department of state government other than the Department of Law, the department totally objects. Administration of the state's legal affairs must be coordinated and directed from a single authority. The state's legal representation cannot be conducted by two attorneys general for the same reason that there cannot be two governors, or two speakers of the house, or two presidents of the senate.

FISCAL NOTE

REQUEST:

Revision Date: 3/27/90  
Title: Interstate Regulation of Pipe-  
line carriers  
Sponsor: House Resources Committee  
Requestor: House Resources Committee

Agency Affected: Natural Resources  
BRU: Management and Administration

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
FEDERAL FUNDS						
OTHER						
TOTAL	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The \$1.5 million per year is the current Department of Law funding for the TAPS corrosion/tariff case. If the Department of Law responsibilities for this case were transferred to DNR, similar funding would be needed to hire attorneys and technical consultants. Funding levels could also vary from year to year, depending on the situation under consideration.

Prepared by: \_\_\_\_\_ Phone: 465-2400

Division: Carol Wilson, Commissioner's Office Date: 3/27/90

Approved by Commissioner:  Date: 3/27/90

Agency: Department of Natural Resources

Distribution (by preparer):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)