

SB

157

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HCS CSSB 157 ()
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
Title Reg. Cost Charges: Utilities/Pipelines RDU Regulatory Commission of Alaska
Component Regulatory Commission of Alaska
Sponsor Rules by Request of the Governor
Requester House Finance Committee Component No. 2417

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual	1,500.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	1,500.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1141 RCA Receipts	1,500.0					
TOTAL	1,500.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The committee substitute provides for a one year increase in the Regulatory Cost Charge (RCC) revenues to fund the purchase and implementation of data systems that will allow each of the 198 utilities, 21 pipeline companies, 100 power cost equalization (PCE) participants, and provisionally certificated water utilities in Alaska to access a password-secured, web-based portal through which all of their RCA business (tariffs, cost of power, rate cases, PCE filings, annual filings, and docket filings) could be transacted electronically. The projected increase in the RCC will increase utility costs for consumers by approximately \$1.00 (one dollar) per year, per regulated service, for the one year. The estimate of additional RCC revenues is based on actual 2005 RCA RCC revenues.

Prepared by: House Finance Committee
Division: _____
Approved by: Representative Meyer
Representative Chenault

Phone 465-4945
Date/Time 03/16/05 2:06 p.m.
Date _____

FISCAL NOTE



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2006 LEGISLATIVE SESSION

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CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()						

FUND SOURCE (Thousands of Dollars)

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1003 GF Match						
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1102 Aides Receipts	1,500.0					
TOTAL	1,500.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
The committee substitute provides for a one year increase in the Regulatory Cost Charge (RCC) revenues to fund the purchase and implementation of data systems that will allow each of the 198 utilities, 21 pipeline companies, 100 power cost equalization (PCE) participants, and provisionally certificated water utilities in Alaska to access a password-secured, web-based portal through which all of their RCA business (tariffs, cost of power, rate cases, PCE filings, annual filings, and docket filings) could be transacted electronically. The projected increase in the RCC will increase utility costs for consumers by approximately \$1.00 (one dollar) per year, per regulated service, for the one year. The estimate of additional RCC revenues is based on actual 2005 RCA RCC revenues.

Prepared by: House Finance Committee Phone 465-4945
Division _____ Date/Time 03/15/06 7:13 p.m.
Approved by: Representative Meyer Date _____
Representative Chenault

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DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Regulatory Commission of Alaska

Frank H. Markowski, Governor
William C. Noll, Commissioner

Kate Giard, Chairman

March 13, 2006

The Honorable Kevin Meyer
House of Representatives
Alaska State Capitol, Room 515
Juneau, Alaska 99801-1182

Dear Representative Meyer:

On March 31, 2005, Senate Bill 157 was introduced by the Senate Rules committee on behalf of the Governor. The bill was heard in and passed from both the Senate Labor & Commerce committee and the Senate Finance committee, and passed from the Senate to the House. On January 11, 2006, SB 157 was referred to House Finance.

SB 157 provides for an increase in RCC revenues to fund the purchase and implementation of data systems that will allow each of the 129 regulated utilities and 21 regulated pipeline companies access to a secure web-based RCA portal through which all of their day-to-day regulated business transactions (tariffs, cost of power, rate cases, PCE filings, annual filings and docket filings) could be performed electronically.

The project was evaluated by a utility user committee, presented at a public hearing and public meetings by the RCA. All testimony by utilities and pipeline companies indicated strong support for the effort as a cost reduction measure for the regulated entity. SB 157 will increase utility costs for consumers by approximately \$1.00 (one dollar) per year, per regulated service.

The Senate version of the bill is supported by the Administration.

I respectfully request that you schedule CSSB 157 (FIN) for hearing in House Finance and urge favorable action on this bill.

I will be happy to meet with you and other members of the committee to provide any further information you may require. Thank you for considering our request.

Sincerely,

REGULATORY COMMISSION OF ALASKA

Kate Giard
Chairman

3-16-2006

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**AT&T ALASCOM COMMENTS BEFORE THE
HOUSE FINANCE COMMITTEE IN SUPPORT OF SB 157**

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4 Good afternoon, my name is William Saupe and I am with the Anchorage law
5 firm of Ashburn & Mason. I have practiced law before the RCA and its predecessor,
6 the APUC, since 1985. I am here today on behalf of AT&T Alascom, which strongly
7 supports SB 157.

8 AT&T Alascom believes that the proposed \$3 million increase in the Regulatory
9 Cost Charge is the most reasonable means of raising the funds necessary to upgrade the
10 RCA's computer systems. Our understanding is that the additional funds would be
11 administered by a users' committee, made up of a broad spectrum of utility industry and
12 public interest representatives, whose job will be to acquire and implement new and
13 substantially improved computer systems that will allow for (1) electronic submission
14 of all filings made at the Commission, (2) improved internal tracking of open dockets,
15 and (3) creation of a searchable data base of all documents on file at the Commission.

16 From AT&T Alascom's perspective, these would all be major improvements that
17 would greatly improve the agency's efficiency and enhance the consistency and quality
18 of its orders. Just as important, it would save utilities substantial amounts of time, effort
19 and money, by making filing and research easier and less time consuming.

20 AT&T Alascom would like to see this project undertaken as soon as possible and
21 all at the same time, if possible. It is concerned that if it is broken down into pieces or
22 implemented in stages, there is a risk that momentum will be lost and perhaps even a
23 risk that the various upgrades will not be properly coordinated.

24 For these reasons, AT&T Alascom urges you to pass SB 157 and to insure that
25 the RCC increase is sufficient to fund the entire project that the user committee has
26 developed.

27 Thank you.

28 March 16, 2006

Page 1 of 1

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Handwritten signature/initials

24-GS1138U
Wayne
3/8/06

HOUSE CS FOR CS FOR SENATE BILL NO. 157()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the maximum annual regulatory cost charge collected from certain
2 regulated public utilities and pipeline carriers and to public utility liability associated
3 with operating certain transmission lines under a Regulatory Commission of Alaska
4 order for joint use and interconnection; and providing for an effective date."

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

6 * Section 1. AS 42.05.254(a) is amended to read:

7 (a) A regulated public utility operating in the state shall pay to the commission
8 an annual regulatory cost charge in an amount not to exceed the maximum percentage
9 of adjusted gross revenue that applies to the utility sector of which the utility is a part.
10 The regulatory cost charges that the commission expects to collect from all regulated
11 utilities may not exceed the sum of the following percentages of the total adjusted
12 gross revenue of all regulated public utilities derived from operations in the state: (1)
13 not more than .9 [.7] percent to fund the operations of the commission, and (2) not
14 more than .17 percent to fund operations of the public advocacy function under

1 AS 42.04.070(c) and AS 44.23.020(e) within the Department of Law. An exempt
2 utility shall pay the actual cost of services provided to it by the commission.

3 * Sec. 2. AS 42.05.254(a) is amended to read:

4 (a) A regulated public utility operating in the state shall pay to the commission
5 an annual regulatory cost charge in an amount not to exceed the maximum percentage
6 of adjusted gross revenue that applies to the utility section of which the utility is a part.
7 The regulatory cost charges that the commission expects to collect from all regulated
8 utilities may not exceed the sum of the following percentages of the total adjusted
9 gross revenue of all regulated public utilities derived from operations in the state: (1)
10 not more than .7 [.9] percent to fund the operations of the commission, and (2) not
11 more than .17 percent to fund operations of the public advocacy function under
12 AS 42.04.070(c) and AS 44.23.020(e) within the Department of Law. An exempt
13 utility shall pay the actual cost of services provided to it by the commission.

14 * Sec. 3. AS 42.05.311 is amended by adding a new subsection to read:

15 (d) A public utility that is ordered by the commission to provide joint use and
16 interconnection of a transmission line associated with the continued operation of a
17 transmission line owned by the Alaska Energy Authority is not liable for any damages
18 to the extent that those damages are caused by the operation of a transmission line by
19 the public utility under a commission order requiring the operation of a transmission
20 line at a voltage that

21 (1) exceeds the original design standards of the transmission line; or

22 (2) violates the applicable standards of the National Electrical Safety

23 Code.

24 * Sec. 4. AS 42.06.286(a) is amended to read:

25 (a) A pipeline carrier operating in the state shall pay to the commission an
26 annual regulatory cost charge in an amount not to exceed the sum of the following
27 percentages of gross revenue derived from operations in the state: (1) not more than .9
28 [.7] percent to fund the operations of the commission, and (2) not more than .17
29 percent to fund operations of the public advocacy function under AS 42.04.070(c) and
30 AS 44.23.020(e) within the Department of Law. A regulatory cost charge may not be
31 assessed on pipeline carrier operations unless the operations are within the jurisdiction

1 of the commission.

2 * Sec. 5. AS 42.06.286(a) is amended to read:

3 (a) A pipeline carrier operating in the state shall pay to the commission an
4 annual regulatory cost charge in an amount not to exceed the sum of the following
5 percentages of gross revenue derived from operations in the state: (1) not more than .7
6 [.9] percent to fund the operations of the commission, and (2) not more than .17
7 percent to fund operations of the public advocacy function under AS 42.04.070(c) and
8 AS 44.23.020(e) within the Department of Law. A regulatory cost charge may not be
9 assessed on pipeline carrier operations unless the operations are within the jurisdiction
10 of the commission.

11 * Sec. 6. The uncoded law of the State of Alaska is amended by adding a new section to
12 read:

13 **RETROACTIVITY.** The provisions of ~~AS 42.05.311(d)~~ enacted by sec. 3 of this Act
14 apply retroactively to any claim based on damages caused by the operation of a transmission
15 line operated under an order of the commission as described in that subsection that is dated on
16 or after December 1, 2004.

17 * Sec. 7. Sections 1 and 4 of this Act take effect July 1, 2006.

18 * Sec. 8. Sections 2 and 5 of this Act take effect July 1, 2007.

19 * Sec. 9. Sections 3 and 6 of this Act take effect immediately under AS 01.10.070(c).