

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10578 SENATE JUDICIARY

Paul Fuhs, Commissioner  
Department of Commerce and  
Economic Affairs  
Our File No. 661-94-0744

June 21, 1994  
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interpretation that the powers of an agency that expires under Title 44 are not curtailed during the wind-down year. It appears that the legislature has acquiesced in, and even come to rely on, the Department of Law's advice that an agency's powers are not curtailed during a sunset year.

C. Budget and powers

Finally, we think that the authorization of the full budget of the Public Utilities Commission in the FY 95 budget passed by the legislature and signed by the Governor on June 15, 1994 is evidence that the legislature did not intend to reduce or otherwise limit the authority of the commission between July 1, 1994, and June 30, 1995. Spending authority at the full amount requested by the commission would appear unnecessary if the commission's only function during the year is to dismantle itself.

We think the spending authority was intended to support functioning in accord with the commission's statutory powers and authority, AS 42.05 and AS 42.06, which were not repealed by the legislature.

CONCLUSION

We conclude the impact of AS 44.66.010(a)(4) on the Alaska Public Utilities Commission is to impose an additional duty to prepare for closing, but not to eliminate the commission's power to conduct its regulatory functions. The Commission should comply with the sunset law by preparing for the exigency that it may be required to cease all activities, lay off all staff and close its doors at the end of the next fiscal year. We suggest the commission should examine the time demands and completion dates of its current workload, determine what additional investigations can be accomplished by the end of the sunset year, develop a plan to conclude as many matters as possible before the end of the year, and publicize plans to wind down and phase out by June 30, 1995. We emphasize that how to do this is within the commission's discretion since the statutes offer little guidance.

JDL/VAR/rmg

Attachments: 3

cc: Don Schröer, Chairman, Alaska Public Utilities Commission  
Bob Lohr, Exec. Dir., Alaska Public Utilities Commission

Paul Fuhs, Commissioner  
Department of Commerce and  
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Kristie Leaf, Director  
Boards and Commissions

Lynn Bartlett, Office of the Governor's Chief of Staff

(B) the Department of Corrections;

(2) "agency head" means

(A) the commissioner or other head of an agency who has the authority to adopt regulations for the agency; or

(B) for the Alaska Coastal Policy Council established in AS 44.19.155, the co-chair of the council designated under AS 44.19.155 (c) from the members listed in AS 44.19.155 (a)(2);

(3) "consensus" means unanimous concurrence among the interests represented on a negotiated regulation making committee;

(4) "convener" means a person who is impartial and performs the services identified under AS 44.62.730 for an agency;

(5) "facilitator" means a person who is impartial and performs the services identified under AS 44.62.760 (b) for a negotiated regulation making committee;

(6) "negotiated regulation making" means regulation making through the use of a negotiated regulation making committee;

(7) "negotiated regulation making committee" means an advisory committee to consider and discuss issues for the purpose of reaching a consensus in the development of a proposed regulation;

(8) "person" has the meaning given in AS 01.10.060 , and expressly includes a public organization of any character;

(9) "regulation" has the meaning given in AS 44.62.640 and includes the amendment or repeal of a regulation.

Sec. 44.62.950. Short title.

This chapter may be cited as the Administrative Procedure Act.

#### Chapter 44.65. INTERDEPARTMENT AND INTERAGENCY SERVICES

[Repealed, Sec. 69 ch 106 SLA 1986, as amended by Sec. 27 ch 65 SLA 1987].

#### Chapter 44.66. REVIEW OF THE ACTIVITIES OF AGENCIES, BOARDS AND COMMISSIONS

Sec. 44.66.010. Termination of state boards and commissions.

(a) Boards and commissions listed in this subsection expire on the date set

out after each:

- (1) Alcoholic Beverage Control Board (AS 04.06.010) - June 30, 2003;
  - (2) [Repealed, 1983 Initiative Proposal No. 2, Sec. 6].
  - (3) Board of Parole (AS 33.16.020) - June 30, 2008;
  - (4) Regulatory Commission of Alaska (AS 42.04.010) - June 30, 2002;
  - (5) [Repealed, Sec. 20 ch 110 SLA 1981].
  - (6) [Repealed, Sec. 63 ch 21 SLA 1985].
  - (7) [Repealed, Sec. 16 ch 161 SLA 1984].
  - (8) [Repealed, Sec. 33 ch 23 SLA 1995].
  - (9) [Repealed, Sec. 2 ch 97 SLA 1986].
  - (10) Alaska Commission on Aging (AS 44.21.200) - June 30, 2004;
  - (11) Council on Domestic Violence and Sexual Assault (AS 18.66.010) - June 30, 2002;
  - (12) [Repealed, Sec. 33 ch 23 SLA 1995].
  - (13) [Repealed, Sec. 21 ch 6 SLA 1993].
  - (14) Special Education Service Agency (AS 14.30.600) - June 30, 2004;
  - (15) [Repealed, Sec. 10 ch 29 SLA 1999].
  - (16) [Repealed, Sec. 33 ch 23 SLA 1995].
  - (17) Citizens' Foster Care Review Board under AS 47.14.200 - June 30, 2000;
  - (18) Board of Storage Tank Assistance (AS 46.03.360) - June 30, 2001;
  - (19) [Repealed, Sec. 102 ch 21 SLA 2000].;
  - (20) Statewide Suicide Prevention Council (AS 44.29.300) - June 30, 2005.
- (b) Upon termination, a commission listed in (a) of this section shall continue in existence until June 30 of the next succeeding year for the purpose of concluding its affairs.
- (c) A commission scheduled for termination under this chapter may be

continued or reestablished by the legislature for a period not to exceed four years.

#### Sec. 44.66.020. Agency programs.

(a) Agency programs and activities listed in this subsection that are specifically designated as provided in AS 44.66.030 are subject to termination during the regular legislative session convening in the month and year set out after each:

(1) programs in the budget categories of general government, public protection, and administration of justice - January, 1980;

(2) programs in the budget categories of education and the University of Alaska - January, 1981;

(3) programs in the budget categories of health and social services - January, 1982;

(4) programs in the budget categories of natural resources management, development, and transportation - January, 1983.

(b) An agency program or activity designated in (a) of this section shall be subject to termination during the regular legislative session convening four years after the preceding review and may be subject to termination at any time upon the recommendation of the Legislative Budget and Audit Committee and the concurrence of the legislature as if under AS 44.66.030 .

#### Sec. 44.66.030. Program identification.

During the legislative session preceding each of the years set out in AS 44.66.020 , the Legislative Budget and Audit Committee shall designate, not later than March 1 of those years, the programs and activities within each program category that shall be subject to termination in the next fiscal year. The recommendations of the Legislative Budget and Audit Committee shall be submitted to the respective houses of the legislature in the form of a bill that, if enacted into law, would terminate those designated programs and activities on or before July 1 of the following year.

#### Sec. 44.66.050. Legislative oversight.

(a) Before the termination, dissolution, continuation, or reestablishment of a board or commission under AS 08.03.010 or AS 44.66.010, or of an agency program under AS 44.66.020 and 44.66.030, a committee of reference of each house, which shall be the standing committee of legislative jurisdiction as provided in the Uniform Rules of the Legislature, shall hold one or more hearings to receive testimony from the public, the commissioner of the department having administrative responsibility for each named board, commission, or agency program, and the members of the board or commission involved. The hearings

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

#### Sec. 42.05.681. Validity of certain certificates.

A certificate issued before July 29, 1968, to a public utility for the generation, transmission, or distribution of electric energy and power, or for the furnishing of telecommunications may not be considered as terminated or voided for the sole reason that the utility did not or would not produce an annual gross income in excess of \$25,000.

#### Sec. 42.05.691. Utility classes.

The commission may by regulation provide for the classification of public utilities based upon differences in annual revenue, assets, nature of ownership, and other appropriate distinctions and as between these classifications, by regulation, provide for different reporting, accounting, and other regulatory requirements.

#### Sec. 42.05.701. [Renumbered as AS 42.05.720 ].

Repealed or Renumbered

#### Sec. 42.05.711. Exemptions.

(a) The provisions of this chapter do not apply to a person who furnishes water, gas or petroleum or petroleum products by tank, wagon, or similar conveyance, unless the person is thereby supplying water, gas, petroleum or petroleum products to a public utility in which the person has an "affiliated interest".

(b) Except as otherwise provided in this subsection and in (o) of this section, public utilities owned and operated by a political subdivision of the state, or electric operating entities established as the instrumentality of two or more public utilities owned and operated by political subdivisions of the state, are exempt from this chapter, other than AS 42.05.221 - 42.05.281 and 42.05.385. However,

(1) the governing body of a political subdivision may elect to be subject to this chapter; and

(2) a utility or electric operating entity that is owned and operated by a political subdivision and that directly competes with another utility or electric operating entity is subject to this chapter and any other utility or electric operating entity owned and operated by the political subdivision is also subject to this chapter.

(c) The ownership in whole or part, of the corporate stock of a public utility does not make the owner a public utility.

(d) The commission may exempt a utility, a class of utilities, or a utility service from all or a portion of this chapter if the commission finds that the exemption is in the public interest.

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

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

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

(h) A cooperative organized under AS 10.25 may elect to be exempt from the provisions of this chapter, other than AS 42.05.221 - 42.05.281, under the procedure described in AS 42.05.712 .

(i) A utility that furnishes collection and disposal service of garbage, refuse, trash, or other waste material and has annual gross revenues of \$300,000 or less is exempt from the provisions of this chapter, other than the certification provisions of AS 42.05.221 - 42.05.281, unless the subscribers petition the commission for regulation under AS 42.05.712 (h). Notwithstanding AS 42.05.712 (b) and (g), if subscribers representing 25 percent of the gross revenue of the utility petition the commission for regulation, the utility is subject to the provisions of this chapter.

(j) The provisions of this chapter do not apply to sales, exchanges, or gifts of energy to an electric utility certificated under this chapter when the energy which is the subject of the sale, exchange, or gift is waste heat, electricity, or other energy which is surplus or the by-product of an industrial process. In an area in which no electric utility is certificated for service, energy provided by sale, exchange, or gift may be provided to any utility which is certificated for service to that area. A contract for the sale, exchange, or gift of energy exempt under this subsection does not make the supplier a public utility and does not transfer the responsibility to provide utility services from a certificated utility to any other person.

(k) A utility that furnishes cable television service is exempt from the provisions of this chapter other than AS 42.05.221 - 42.05.281 unless the subscribers petition the commission for regulation under the procedure described in AS 42.05.712 .

(l) A person, utility, joint action agency established under AS 42.45.310, or

cooperative that is exempt from regulation under (a), (d) - (k), or (o) of this section is not subject to regulation by a municipality under AS 29.35.060 and 29.35.070.

(m) The collection and disposal, under AS 29.35.050 (c), by a municipality of waste material deposited at an intermediate transfer site is exempt from this chapter.

(n) Except as provided by AS 42.06.370 (c), the provisions of this chapter do not apply to a person who owns or operates a natural gas pipeline as a North Slope natural gas pipeline carrier, as that term is defined in AS 42.06.630.

(o) A joint action agency established under AS 42.45.310 is exempt from regulation under this chapter, including the requirement to obtain a certificate of public convenience and necessity under AS 42.05.221, for the operation of, sale of power from, and other activities related to the power project the joint action agency purchases from the Alaska Energy Authority until the wholesale agreement and any related contract assigned by the authority becomes subject to review or approval by the commission under AS 42.05.431. The exemption provided by this subsection extends to repairs and improvements to the power project the joint action agency purchases from the authority but does not extend to any other power project or other activity of the joint action agency.

#### Sec. 42.05.712. Deregulation ballot.

(a) A utility or cooperative that may elect to be exempt from the provisions of this chapter shall poll its subscribers or members in the manner described in this section.

(b) The votes of a majority of those voting in an election in which at least 15 percent of the eligible subscribers or members return ballots are required for a utility or cooperative to elect exemption under (a) of this section.

(c) Each subscriber or member of the utility or cooperative shall receive notice of an election under this section with the subscriber's or member's regular bill for service at least 60 days before the date set for the election. The notice shall contain impartial language informing the subscribers or members that an election on the option of deregulation or regulation by the Regulatory Commission of Alaska will be held within 60 days and that a ballot to participate in that election will be mailed or delivered to each subscriber or member of the utility or cooperative with the regular bill for service. The notice shall also state that a subscriber or member of the cooperative is entitled to vote in the election without regard to whether the subscriber's or member's account with the utility or cooperative is current and that the ballot must be postmarked or returned to the commission within 30 days after it was mailed or otherwise delivered to the subscriber or member. The notice shall also announce the schedule for one or more public meetings which shall provide an opportunity for the subscribers or members to discuss this election. The public meeting or meetings shall be held not more than 30 days before the ballots are mailed or distributed to those

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Table 1  
**UNBUNDLED NETWORK ELEMENT RATE COMPARISON MATRIX**

All Rates for RBOC in each State Unless Otherwise Noted

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
Alabama	BS	1	\$15.24	\$2.50	\$0.0017	\$0.0015 Tandem Switching \$0.00036 & \$0.00004/mile Common Transport \$0.0015
		2	\$24.75			
		3	\$44.85			
		Avg	\$19.04			
Alaska	ATU	1	\$13.85	\$4.27	\$0.006595	\$0.004712 Tandem Switching \$0.000416 Termination
	ACS	1	\$19.19	\$1.38	\$0.00203	\$0.00155 Tandem Switching \$0.00023 Common Transport
Arizona	USW	1	\$21.98	\$1.61	\$0.0028	\$0.0014 Tandem Switching \$0.00088 Common Transport
Arkansas	SBC	3	\$18.75	\$2.75	\$0.004586 \$0.006137 \$0.002352	\$0.001665 Tandem Switching \$0.000423 - \$0.000534 plus per mile Common Transport
		2	\$31.60			
		1	\$71.05			
California	SBC	1	\$10.03	\$2.88	\$0.00594 set up/ \$0.00184 Originating \$0.007 set up/ \$0.00181 Terminating	\$0.00075 set up & \$0.00067 Tandem Switching \$0.00113 Terminating
		2	\$13.51			
		3	\$25.53			
Colorado	USW	BRA	\$19.65	\$1.15	\$0.00283	\$0.002007 Tandem Switching
		1	\$26.65			
		2	\$38.65			
		3	\$84.65			
Connecticut	SBC	1A	\$8.95	\$3.31	\$0.007151*	\$0.001984 Tandem Switching
		B	\$12.03			
		C	\$13.28			
		D	\$19.69			
		Avg	\$12.49			

\* On-NET Rate, includes shared transport

Table E Rate Comparison Matrix

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
D.C.	VZ	1	\$10.81	\$1.55	\$0.003	\$0.001043 Tandem Switching \$0.00015 & \$0.00003/mile Common Transport
Delaware	VZ	1 2 3 Avg	\$10.07 \$13.13 \$16.67 \$12.05	\$2.23	\$0.003634 Originating \$0.001927 Terminating	\$0.0006688 Tandem Switching \$0.0001221 & \$0.0000022/mile Common Transport
Florida	BS	1 2 3	\$13.76 \$20.13 \$44.40	\$1.62	\$0.0008846	\$0.0001522 Tandem Switching \$0.0000039 Common Transport
Georgia	BS	1 2 3 Avg	\$14.21 \$16.41 \$26.08 \$16.51	\$1.85	\$0.001633	\$0.0006757 Tandem Switching \$0.0002126 Common Transport
Hawaii	VZ	Oahu Maui Hawaii	\$10.44 \$17.23 \$21.91	\$2.69	\$0.0076074	\$0.0012572 Tandem Switching \$0.0002710 Common Transport
Idaho	USW	1	\$25.52	\$1.34	\$0.0029	\$0.0032 Tandem Switching \$0.00218 Common Transport
Illinois	AIT	1A 1B 1C 2C Avg	\$2.59 \$7.07 \$11.40 \$11.40 \$9.81	\$5.01 Port rate includes unlimited switching	n/a	\$0.000215 Tandem Switching \$0.000809 Common Transport
Indiana	AIT	3 2 1 Avg	\$8.03 \$8.15 \$8.99 \$8.20	\$5.34	\$0.003444	\$0.000307 Tandem Switching \$0.00066 Common Transport

Table E Rate Comparison Matrix

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
Iowa	USW	Avg	\$20.15	\$1.15	\$0.00213	\$0.00424 Tandem Switching \$0.00134 Common Transport
Kansas	SBC	3 2 1 Avg	\$11.86 \$13.64 \$23.34 \$14.04	\$1.61	\$0.00131 \$0.00169 \$0.00253	\$0.000789 Tandem Switching \$0.000401-\$0.000475 Common Transport
Kentucky	VZ	1 2 3 Avg	\$17.44 \$22.23 \$25.84 \$19.65	\$4.02	\$0.0036192 originating \$0.0032276 terminating	\$0.0008209 Tandem Switching
	BS	1 2 3 Avg	\$13.54 \$19.73 \$28.27 \$20.00	\$2.61	\$0.002562	\$0.001096 Tandem Switching \$0.000426 Common Transport
Louisiana	BS	1 2	\$19.35 \$22.84	\$2.20	\$0.0021	\$0.0008 Tandem Switching \$0.00047 Common Transport
Maine	VZ	1 2 3 Avg	\$12.67 \$15.59 \$23.00 \$17.53	\$2.24 \$2.07 \$1.82	\$0.003197-\$0.00707 \$0.005262-\$0.002263 \$0.009101-\$0.005389	\$0.002575 - \$0.001776 Tandem Switching \$0.000886 - \$0.00000 Common Transport
Maryland	VZ	A1 A2 B1 B2 Avg	\$12.11 \$12.85 \$25.96 \$18.40 \$14.50	\$1.90	\$0.0038	\$0.000695 Tandem Switching \$0.000353 Common Transport
Massachusetts	VZ	1 2 3 4 Avg	\$7.54 \$14.11 \$16.12 \$20.04 \$14.98	\$2.00	\$0.004647-\$0.001872 \$0.004724-\$0.001872	\$0.00119 - \$0.000851 Tandem Switching \$0.002201-\$0.000489 Common Transport

Table E Rate Comparison Matrix

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)	
Michigan	AIT	A	\$8.47	\$2.53	\$0.001192	\$0.001058 Tandem Switching \$0.000446 Common Transport	
		B	\$8.73				
		C	\$12.54				
		Avg	\$10.15				
Minnesota	USW	1	\$8.81	\$1.08	\$0.00181	\$0.00134 Tandem Switching \$0.001484 Common Transport	
		2	\$12.33				
		3	\$14.48				
		4	\$21.91				
		Avg	\$17.87				
Mississippi	BS	1	\$16.71	\$2.11	\$0.0012771	\$0.0007834 Tandem Switching \$0.0004281 Common Transport	
		2	\$21.45				
		3	\$29.75				
		4	\$38.59				
Missouri	SBC	1	\$12.71	\$1.74	\$0.001988	\$0.00151 Tandem Switching \$0.00019-\$0.000302 Common Transport	
		2	\$20.71				\$0.002391
		3	\$33.29				\$0.003444
		4	\$18.23				\$0.002934
Montana	USW	1	\$26.69	\$1.45	\$0.0029	\$0.0068 Tandem Switching \$0.001459 Common Transport	
		2	\$27.62				
		3	\$31.36				
		4	\$33.95				
		Avg	\$27.41				
Nebraska	USW	1	\$13.56	\$1.37	\$0.004131	\$0.002594 Tandem Switching \$0.001243 Common Transport	
		2	\$27.12				
		3	\$54.24				
		Avg	\$14.32				
Nevada	SBC	1	\$11.75	\$1.63	\$0.00161	\$0.00171 Tandem Switching \$0.00727 Common Transport	
		2	\$22.66				
		3	\$66.31				
		Avg	\$19.83				
New Hampshire	VZ	1	\$14.01	\$2.51	\$0.010697-\$0.003888	\$0.001589-\$0.001386 Tandem Switching \$0.001001-\$0.0000 Common Transport	
		2	\$15.87				\$2.20
		3	\$24.09				\$2.21
		Avg	\$17.99				\$2.22

Table E Rate Comparison Matrix

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
New Jersey	VZ	1	\$11.95	\$1.90	\$0.005418 Originating \$0.003207 Terminating	\$0.001323 Tandem Switching \$0.0002486 & \$0.0000012/mile Common Transport
		2	\$16.02			
		3	\$20.98			
		Avg	\$16.17			
New Mexico	USW	1	\$17.75	\$1.38	\$0.0011083	\$0.001616 Tandem Switching \$0.001882 Common Transport
		2	\$20.30			
		3	\$26.23			
New York	VZ	1	\$11.83	\$2.50	\$0.003806-\$0.001508	\$0.00456-\$0.00067 Tandem Switching \$0.003141-\$0.000321 Common Transport
		2	\$12.49			
		3	\$19.24			
		Avg	\$14.81			
North Carolina	BS	1	\$16.71	\$2.19	\$0.0017	\$0.0009 Tandem Switching \$0.00034 Common Transport
North Dakota	USW	1	\$16.41	\$1.27	\$0.002	\$0.0084 Tandem Switching \$0.004392 Common Transport
		2	\$27.66			
		3	\$62.66			
Ohio	AIT	B	\$5.93	\$4.63	\$0.003226	\$0.000689 Tandem Switching
		C	\$7.97			
		D	\$9.52			
Oklahoma	SBC	3	\$12.14	\$2.18	\$0.002268	\$0.000956 Tandem Switching \$0.000266-\$0.000499 Common Transport
		2	\$13.65	\$2.21	\$0.002516	
		1	\$26.25	\$2.58	\$0.0038	
		Avg	\$14.84	\$2.25		
Oregon	USW	1	\$13.95	\$1.14	\$0.001463 originating \$0.00133 terminating	\$0.001596 Tandem Switching \$0.000005 - \$0.000012 Common Transport
		2	\$25.20			
		3	\$56.21			
		Avg	\$15.00			
Pennsylvania	VZ	1	\$10.25	Option A: \$2.67	\$0.001802 Originating	\$0.000795 Tandem Switching \$0.000144 & \$0.000003/mile Common Transport
		2	\$11.00			
		3	\$14.00	Option B:** \$1.90	\$0.001615 Terminating	
		4	\$17.50			
		Avg	\$14.06			

\*\* Option A includes all vertical features. Option B includes all vertical features except 3-way calling.

Table E Rate Comparison Matrix

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
Rhode Island	VZ	1	\$12.05	\$4.47	\$0.01237 Peak \$0.00419 Off peak	\$0.01193 Tandem Switching \$0.002199-\$0.00027 Common Transport
		2	\$16.62			
		3	\$20.59			
South Carolina	BS	1	\$18.48	\$2.35	\$0.0019295	\$0.0006843 Tandem Switching \$0.0004672 Common Transport
		2	\$27.87			
		3	\$36.91			
South Dakota	USW	1	\$7.01	\$1.84	\$0.003469	\$0.001748 Tandem Switching \$0.001388 Common Transport
		2	\$18.54			
		3	\$24.37			
Tennessee	BS	1	\$13.19	\$1.89	\$0.0008041	\$0.0009778 Tandem Switching \$0.00038 Common Transport
		2	\$17.23			
		3	\$22.53			
		Avg	\$18.00			
Texas	SBC	3	\$12.14	\$1.94	\$0.002116	\$0.000794 Tandem Switching \$0.000123-\$0.000144 Common Transport
		2	\$13.65	\$2.15		
		1	\$18.98	\$3.25		
		Avg	\$14.15	\$2.90		
Utah	USW	1	\$14.41	\$0.89	\$0.002299 \$0.002664 \$0.002896	\$0.001059 Tandem Switching \$0.000921 Common Transport
		2	\$17.47	\$0.90		
		3	\$24.14	\$1.02		
		Avg	\$20.00			
Vermont	VZ	1	\$7.72	\$1.03	\$0.004003	\$0.000921 Tandem Switching \$0.000630 Common Transport
		2	\$8.35			
		3	\$21.63			
		Avg	\$14.41			
Virginia	VZ	1	\$10.74	\$1.30	\$0.004129 Originating \$0.002079 Terminating	\$0.000548 Tandem Switching \$0.000114 Common Transport
		2	\$16.45			
		3	\$29.40			
		Avg	\$13.597			

Table E Rate Comparison Matrix

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
Washington	USW	1	\$7.91	\$1.34	\$0.0012	\$0.00141 Tandem Switching \$0.00217 Common Transport
		2	\$14.13			
		3	\$15.90			
		4	\$17.85			
		5	\$23.82			
		Avg	\$11.33			
West Virginia	VZ	1	\$14.99	\$1.60	\$0.008868 Originating \$0.005622 Terminating	\$0.0002394 Tandem Switching \$0.00067 Common Transport
		2	\$22.04			
		3	\$43.44			
		Avg	\$24.58			
Wisconsin	AIT	1	\$10.90	\$3.71	\$0.003451	\$0.000674 Tandem Switching \$0.001072 Common Transport
Wyoming	USW	BRA	\$19.05	\$1.53	\$0.003753	\$0.001642 Tandem Switching \$0.000318 fixed & per mile Tandem Transmission
		1	\$31.83			
		2	\$40.11			
		3	\$58.43			



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# STATE OF ALASKA

DEPARTMENT OF COMMUNITY AND  
ECONOMIC DEVELOPMENT  
REGULATORY COMMISSION OF ALASKA

TONY KNOWLES, GOVERNOR

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ANCHORAGE, ALASKA 99501-3469  
PHONE: (907) 276-6222  
FAX: (907) 276-0160  
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May 20, 2002

The Honorable Robin Taylor, Chair  
Senate Judiciary Committee  
Alaska State Legislature  
State Capitol, MS 301  
Juneau, Alaska 99801-1182

Re: SB 2010

Dear Senator Taylor:

When we met on May 8 to discuss HB 333 you opined that sunseting the agency would have little effect because the next governor and legislature could revive the agency. Since that meeting, the legislature adjourned without extending the agency operations and I have begun planning for the agency's sunset year. If the legislature does not reauthorize the agency, there will be a significant impact on utilities, consumers and the state's budget before the next legislature has the opportunity to act.

Under state law, the RCA "expires" if it is not reauthorized by July 1, 2002. AS 44.62.010(a). The agency may continue for one year after termination "for the purpose of concluding its affairs." AS 44.62.010(b). As Chair, I have the legal obligation to begin winding down agency operations on July 1, 2002 with the goal of closing the agency by July 1, 2003.

I plan to meet with staff and industry in June to discuss the timing of the wind down process. The RCA's operations during the sunset year is the topic for discussion with industry representatives at the next Bench and Bar scheduled for June 5, 2002. We will inform them of the following impacts of sunset, and discuss the sequence and timing of the following actions:

- 1. Cessation of Work on Regulations Dockets.** Continuing to work on new regulations would be pointless without an agency to administer them. All pending regulations dockets; including pole attachments, access charges, Public Advocacy Section regulations and small water and sewer utility certifications, would be closed. Both the PAS regulations docket and the proceeding on small water and sewer utility certifications were opened this year at the suggestion of the legislative auditor.

**2. Transition of PCE Administration to Another State Agency.** The RCA determines the level of PCE funding due to eligible communities. We collect the cost of administering that program from the utilities that benefit from it. We will transfer administration of that program to another state agency that will need general fund support to continue this work.

**3. Not Reviewing New Applications.** The RCA reviews applications for new utilities and pipelines and requests to transfer operating authority to insure that the applicant is fit, willing and able to offer service and that the proposed service is in the public interest. Last year we received 73 such applications. We would stop review of all applications, and not accept new ones. This would impact developers who install and request certification of the water and sewer utilities they install in new subdivisions and applications for new oil and gas pipelines.

**4. Concluding Existing Caseload.** We will evaluate the existing caseload and prioritize it based on public interest and time required to resolve each case. We will try to conclude as many as we can before the agency closes. Loss of staff that seek more stable employment will diminish our ability to conclude cases.

**5. Not Accepting New Cases.** We will evaluate all new filings to determine if they can be concluded in our sunset year and whether doing so would serve the public interest. New complaints and tariff filings we cannot handle will be returned to the utilities, pipeline companies and consumers with an explanation that we are unable to process them because the legislature terminated the agency. The following types of matters will not be handled after the RCA ceases to exist:

- **Consumer Complaints** - The RCA handled over 600 consumer complaints last year.
- **Federal Funding Certifications** - Under federal law, the RCA must certify local telephone companies' eligibility for federal universal service reports before funding is distributed. Telephone companies received more than \$70 million last year under these programs, enabling them to serve high cost areas of the state.
- **Rate changes** Without regulatory oversight, it is not clear whether utilities and pipelines are free to serve whichever customers they choose at prices they are free to set without review, or if they must stay at the current prices indefinitely. This uncertainty is likely to negatively affect all utilities' ability to attract investment capital. Every consumer of a utility service statewide is at risk of seeing a rate increase or their service terminated.

Letter to Senator Taylor  
05/20/02  
Page 3 of 3

In summary, a sunset year will dramatically impact utilities and utility consumers statewide beginning July 1, 2002 when the RCA terminates. The regulatory and legal confusion is likely to undermine utilities' efforts to obtain financing for new projects and impact consumers of all utility and pipeline services statewide. As responsibilities are transferred to other state agencies that lack the ability to collect the costs of their operations from consumers, there will be additional demand on state general funds. I urge your prompt endorsement of SB 2010.

Sincerely,

REGULATORY COMMISSION OF ALASKA

A handwritten signature in cursive script, reading "G. Nanette Thompson", followed by a horizontal line extending to the right.

G. Nanette Thompson  
Chair

cc: Members of the Alaska Legislature  
Governor Tony Knowles  
Alaska Rural Electrical Cooperative Association  
Alaska Telephone Association

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Regulatory Commission of Alaska  
Annual Report Fiscal Year 2001



"... encouraging the delivery of affordable voice and high-speed data services to all communities in Alaska."

**Regulatory Commission of Alaska  
701 West Eighth Avenue, Suite 300  
Anchorage, Alaska 99501-3469**

telephone: (907) 276-6222  
fax: (907) 276-0160  
TTY: (907) 276-4533  
web site: <http://www.state.ak.us/rca/>

FY01 statistical data will be available at RCA's web site shortly after  
the release of this printed volume.

# STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF COMMUNITY AND  
ECONOMIC DEVELOPMENT  
REGULATORY COMMISSION OF ALASKA

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ANCHORAGE, ALASKA 99501-3469  
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January 2, 2002

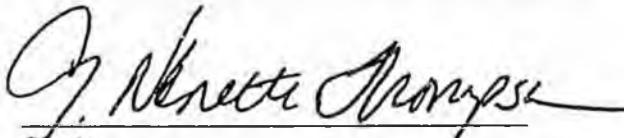
Speaker of the House  
and  
President of the Senate

Dear Speaker of the House and President of the Senate:

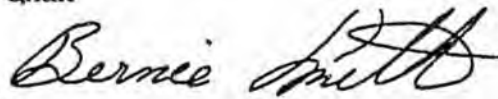
On behalf of the Regulatory Commission of Alaska we are pleased to submit to the Alaska State Legislature the Thirty-second Annual Report of the Regulatory Commission of Alaska, covering the fiscal year ending June 30, 2001. This is filed pursuant to AS 42.05.211 and AS 42.06.220.

Respectfully yours,

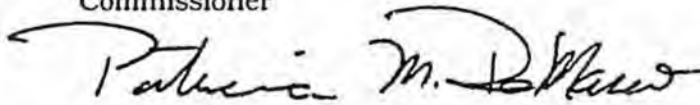
REGULATORY COMMISSION OF ALASKA



Chair



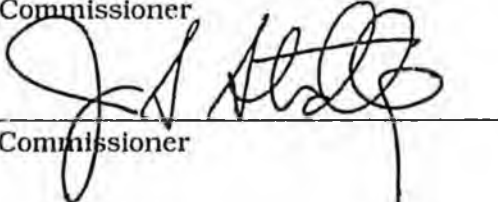
Commissioner



Commissioner



Commissioner



Commissioner

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## Mission statement

The Regulatory Commission of Alaska protects consumer interests by ensuring affordable, reliable utility and pipeline services and ensuring that the utility and pipeline infrastructure is adequate to support community needs.



Regulatory Commission of Alaska – commissioners and staff

**Regulatory Commission of Alaska**



**Chair Thompson (center) is flanked (left to right) by Commissioners Abbott, Smith, DeMarco and Strandberg**

## Message from the Chair

Fiscal Year 2001 (FY01) was the second year of operation for the Regulatory Commission of Alaska (RCA). We continued our efforts to improve the way we work.

This year saw a stabilization of our caseload. The backlog has been significantly reduced and we are processing new filings under the timelines in our new regulations. The RCA routinely opens approximately 175 to 210 new dockets each year. Since our inception, as a result of a concerted effort to resolve all long pending cases, we have closed more dockets than were opened. At the end of FY00, there were 531 pending cases; at the end of FY01, the number of pending cases was 418. That reduction represents a substantial effort to analyze and issue orders in the dockets we closed. We expect the docket caseload to stabilize in FY02-FY03 at approximately 350 cases.

By year-end we were closer to our goal of a paperless agency. We have worked hard to design systems that allow us to function as an agency more efficiently and make our processes more accessible to the public. In FY02 the public should see the impact of these changes.

We moved. The agency outgrew the space we occupied for eleven years, and moved several blocks east to 701 West Eighth Avenue. Our new space is better designed for our work processes.

The Commission held many significant hearings in FY01. We heard cases for several utilities that had operated without Commission review of their rates for many years. Keeping rates current by regular review should make the process less burdensome to the utilities, allowing them to fully recover their costs and allowing consumers to have the benefit of savings when advances in technology make offering reliable utility service less expensive. Gathering current data on the electric industry's costs also enabled the Commission to analyze the potential costs and benefits to consumers of restructuring the Railbelt electric market.

We held a hearing on the Trans Alaska Pipeline rates. For the first time in the pipeline's history the Commission was asked by an economically interested party to evaluate whether or not the tariff rates charged for intrastate shipments on that line are just and reasonable. The hearing lasted over six weeks.

We continued to grapple with the dynamic changes in the communications markets, and evaluated proposed changes to our regulatory scheme to keep pace with these changes. We actively followed changes on a national level and advocated for the interests of the Alaskan phone companies that deliver services in high cost areas and receive federal support. I serve on the Federal-State Joint Board on Universal Service where I have the opportunity to bring the needs of rural residents to the attention of national policymakers.

We look forward to the challenges of FY02. There are many significant policy issues on the horizon and we continue to strive to improve the way we do business.

Sincerely,



G. Nanette Thompson  
Chair

# CORRECTION

THE FOLLOWING DOCUMENT(S)  
HAVE BEEN REFILMED TO  
ASSURE LEGIBILITY OR PAGINATION



Central Microfilm Services  
Department of Education & Early Development  
State of Alaska

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We look forward to the challenges of FY02. There are many significant policy issues on the horizon and we continue to strive to improve the way we do business.

Sincerely,



G. Nanette Thompson  
Chair

**Biographies, RCA Commissioners**



**G. Nanette Thompson,  
Chair**

**Commissioner Thompson** began serving on the RCA on July 1, 1999. She was nominated by her colleagues and appointed by Governor Knowles as Chair. Her term expires June 30, 2004. Ms. Thompson served on the Alaska Public Utilities Commission from 1995 to 1996.

Ms. Thompson is admitted to the practice of law in Alaska (since 1983) and Washington (since 1982). She has 17 years of experience as a lawyer in private practice representing business and individual clients and as an Assistant Attorney General for the State of Alaska. After graduating with honors in International Relations from Stanford in 1978, she earned her law degree from the University of Washington in 1982.

Ms. Thompson is an active member of the NARUC Committee on Telecommunications. She was appointed by the FCC to serve on the Federal-State Joint Conference on Delivery of Advanced Services in November 1999, and served as State Chair from 1999 to 2001. She

was appointed by the FCC to the Universal Service Joint Board in August 2000 and was elected State Chair in 2001.

Ms. Thompson is active in community activities. She served on the Salvation Army's Booth Home Advisory Board from 1989 to 1994, acting as President in 1994 and on the Campfire Boys and Girls Board from 1995 to 2000. She and her husband, Bill Cooke, have five children ranging in ages from 12 to 26.

On July 1, 1999, Governor Tony Knowles appointed **Commissioner Bernie Smith** to the new Regulatory Commission of Alaska, with a term expiring June 30, 2003.

Mr. Smith came to the RCA after serving 16 years with Tesoro Alaska Petroleum Company. While employed with Tesoro he held positions as Manager of Alaska Government Affairs & Special Projects, Senior Engineer, and Project Engineer. In 1973, Mr. Smith graduated from Texas A&M University, with a Bachelor of Science Degree in Engineering Technology. He has been active in several community organizations, currently serving as Past President of Chugiak-Eagle River Chamber of Commerce and a board member of the State Chamber of Commerce. At the time of his appointment he was a member of the Alaska Board of Marine Pilots. He served as President and board member of the Boys and Girls Club of the Kenai Peninsula, and was a board member of Nikiski Fire Service Board.

Mr. Smith has resided in Eagle River for the last five years. He has two sons, Dylan (19) who is attending UAA, and Cory (17) a senior at Chugiak High School.



**Bernie Smith,  
Commissioner**

## Biographies (continued)

**Patricia DeMarco, Ph.D.** was appointed by Governor Tony Knowles to a three-year term on the Regulatory Commission of Alaska beginning on July 1, 1999. She also serves on the NARUC Committee on Consumer Affairs. Commissioner DeMarco previously occupied the position of President of the Anchorage Economic Development Corporation for four years. She brings to the Commission a strong interest in utility infrastructure as a mechanism to expand the economic potential of Alaska. She has a multi-disciplined approach to solving problems and views the role of regulation as a catalyst for change.

Dr. DeMarco came to Alaska in 1995 from Connecticut where her experience included a twenty-year career in various aspects of electric utility regulation, planning and operation. She also started a non-profit corporation to diversify the defense dependent economy, especially the area served by the five utilities in the Connecticut Municipal Electric Energy Cooperative.

Dr. DeMarco received her formal education in her hometown at the University of Pittsburgh. She holds a Bachelor of Science and a Doctorate degree in biology and spent seven years in biochemical genetics research. In private life, she is the wife of Joseph Barkoski, owner of Alaska Joe Fishing Charters. Dr. DeMarco serves on the Board of Directors of the Anchorage Symphony Orchestra and Downtown Rotary.



**Patricia M. DeMarco,  
Commissioner**



**Will Abbott,  
Commissioner**

**Will Abbott** was appointed to the Regulatory Commission of Alaska on July 1, 1999. He was reappointed in 2001 for six-years and his term expires March 1, 2007.

Mr. Abbott previously worked for the Alaska Housing Finance Corporation, Municipality of Anchorage, a local environmental firm, and the U. S. Air Force.

Mr. Abbott is married and has two sons.

## Biographies (continued)



James S. Strandberg,  
Commissioner

Appointed in 1999 and reappointed in 2000 for a six-year term, **Jim Strandberg** has 29 years experience as a Professional Engineer. Born in Anchorage and a life long Alaskan, he attended the University of Alaska Fairbanks and received a Bachelor of Science in Mechanical Engineering in 1970 and a Masters of Science in Arctic Engineering in 1983.

Strandberg is a registered mechanical and civil engineer in Alaska and has worked in rural and urban areas in his professional practice. Early in his career, Strandberg worked on the design team for the Trans Alaska Pipeline, and was stationed in Anchorage, Fairbanks and Houston, Texas. As a mechanical and utilities designer, he worked in private practice designing heating, ventilating and air conditioning, district heating and power plant systems.

Married for 29 years, Jim and his wife, Emiko, have two grown children each of whom are pursuing an engineering career.

## Former Commissioners

<b>Commissioner</b>	<b>Dates of service</b>
Clyde Courtnage	1960 - 1963
Charles Herbert	1960 - 1963
Karl Walter, Jr.	1960 - 1964
Joseph Fitzgerald	1964 - 1965
Maurice Chertkov	1965 - 1965
Harold Moats	1965 - 1966
T. Stanton Wilson	1966 - 1966
James R. Clouse, Jr.	1967 - 1971
Loren H. Lounsbury	1967 - 1971
John M. Stern, Jr.	1971 - 1973
James R. Hendershot	1971 - 1975
B. Richard Edwards	1974 - 1976
Gordon J. Zerbetz	1963 - 1981
Stuart C. Hall	1976 - 1983
Diana E. Snowden	1981 - 1985
Marvin R. Weatherly	1975 - 1987
Carolyn S. Guess	1975 - 1989
Louis E. Agl	1983 - 1989
Kathleen E. Whiteaker	1985 - 1990
Peter Sokolov	1987 - 1991
Don May	1990 - 1992
Susan M. Knowles	1975 - 1993
Mark A. Foster	1990 - 1993
Daniel Patrick O'Tierney	1989 - 1994
James E. Carter, Sr.	1992 - 1995
G. Nanette Thompson	1995 - 1996
Don Schröder	1991 - 1997
Alyce A. Hanley	1993 - 1999
Dwight D. Ornquist	1993 - 1999
Tim Cook	1994 - 1999
Sam Cotten	1995 - 1999
James M. Posey	1997 - 1999

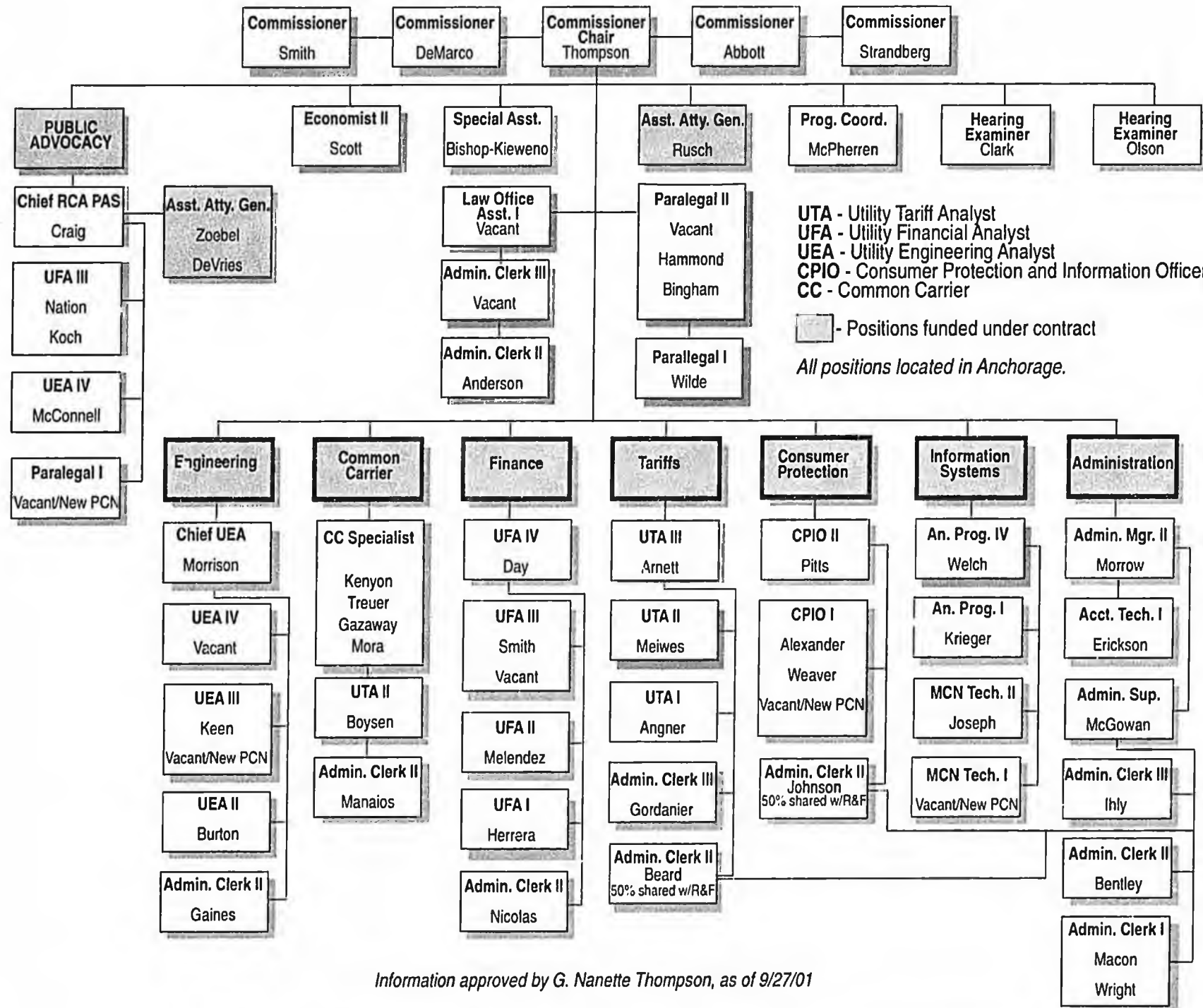
**RCA roster (09/27/01)**

Abbott, Will  
Alexander, Tamara  
Anderson, Denise  
Angner, Matt  
Arnett, Wendy  
Beard, Brian  
Bentley, Wanda  
Bingham, Mary Margaret  
Bishop-Kleweno, Dawn  
Boysen, Robin  
Burton, Jerry  
Clark, Patricia  
Craig, Lew  
Day, Kelth  
DeMarco, Patricia  
DeVries, Steve  
Erickson, Donna  
Gaines, Lawrence  
Gazaway, Richard  
Gordanier, Joy  
Hammond, Anita  
Herrera, Darlene  
Ihly, Charlene  
Johnson, Merry  
Joseph, Vince  
Keen, James  
Kenyon, Lori  
Koch, Kate  
Krieger, Christin  
Macon, Leteasha  
Manoia, Corazon  
McConnell, Tim  
McGowan, Joyce  
McPherran, Jeanne  
Meiwes, Jennifer  
Melendez, Felix  
Mora, Michael  
Morrison, Paul  
Morrow, Josie  
Nation, Parker  
Nicolas, Giggette  
Olson, Paul  
Pitta, Agnes  
Rusch, Virginia  
Scott, Antony  
Smith, Bernie  
Smith, Chris  
Strandberg, Jim  
Thompson, Nan  
Treuer, Phil  
Weaver, Rose  
Welch, Bert  
Wilde, Ann  
Wright, Carolyn  
Zobel, Ron

**Commissioner**  
Consumer Protection & Information Officer I  
Administrative Clerk II  
Utility Tariff Analyst I  
Utility Tariff Analyst III (Chief)  
Administrative Clerk II  
Administrative Clerk II  
Paralegal II  
Special Assistant  
Utility Tariff Analyst II  
Utility Engineer Analyst II  
Hearing Examiner  
Chief, Public Advocacy Section  
Utility Financial Analyst IV (Chief)  
**Commissioner**  
Assistant Attorney General\*  
Accounting Technician I  
Administrative Clerk II  
Common Carrier Specialist  
Administrative Clerk III  
Paralegal II  
Utility Financial Analyst I  
Administrative Clerk III  
Administrative Clerk II  
Micro Computer Network Technician II  
Utility Engineer Analyst III  
Common Carrier Specialist  
Utility Financial Analyst III  
Analyst/Programmer I  
Administrative Clerk I, Receptionist  
Administrative Clerk II  
Utility Engineer Analyst IV  
Administrative Supervisor  
Program Coordinator  
Utility Tariff Analyst II  
Utility Financial Analyst II  
Common Carrier Specialist  
Chief Engineer  
Administrative Manager II  
Utility Financial Analyst III  
Administrative Clerk II  
Hearing Examiner  
Consumer Protection & Info. Officer (Chief)  
Assistant Attorney General\*  
Economist II  
**Commissioner**  
Utility Financial Analyst III  
**Commissioner**  
**Commissioner (Chair)**  
Common Carrier Specialist  
Consumer Protection & Information Officer I  
Analyst/Programmer IV  
Paralegal I  
Administrative Clerk I  
Assistant Attorney General\*

\* Employee of the Department of Law contracted to the Commission

# Organizational chart



Information approved by G. Nanette Thompson, as of 9/27/01

## Staff responsibilities

The Commission staff is divided into seven major sections: administration, engineering, common carrier, consumer protection, finance, tariffs, and public advocacy. The RCA employs 61 people with an FY01 operating budget of \$5,359,600.

### Administration

The Chair directs the administrative functions of the agency. She is responsible for fiscal and personnel administration, budget preparation, and records and document management. The Chair supervises staff and serves as a liaison between staff and Commissioners, and between the Commission and the legislature. She is aided by a special assistant, an administrative manager, documents processing and accounting personnel, and other clerical support staff. The Commission's data processing functions are included in the administrative section.

### Engineering

This section is responsible for certification proceedings, investigations of utility and pipeline carrier procedures and practices affecting service quality. It also reviews legal descriptions for service areas, plans for plant expansion, plant-in-service schedules, and depreciation schedules. Engineering analyses and evaluations are presented to the Commission for adjudication.

### Common Carrier

This section was established to develop, recommend and administer policies concerning rates, services, accounting and facilities of communications common carriers within Alaska involving the use of wire, cable, radio, and satellites.

### Consumer Protection

This section investigates and resolves informal consumer complaints, and is responsible for public relations and responding to information requests.

### Finance

This section examines, analyzes and evaluates financial statements submitted for rate cases. It audits financial records of utilities and pipeline carriers and examines historical operating year data and pro forma financial adjustments made by the utilities and pipeline carriers. Financial analyses are presented to the Commission at Tariff Action and adjudicatory meetings.

### Tariffs

This section examines, analyzes and investigates tariff filings and presents recommendations to the Commission at biweekly tariff action meetings. Administrative functions include organizing tariff meetings as well as complying with all public notice requirements on tariff filings and maintaining current master tariffs for all utilities and pipeline carriers.

### Public Advocacy

This section was established in 1999 by the Legislature to operate independently from the Commission and represent the public interest. The Commission assigns cases to the Public Advocacy Section when a public interest perspective would add to the full development of the record.

## RCA FY01 overview

Since statehood in 1959, the Commission has worked with the hundreds of public utilities in Alaska with the same mission in mind:

- to ensure continued service,
- sound management, and
- fair rates for residents in all communities of the state.

In 1981, the agency's role was expanded to include oversight of pipeline carriers and pipelines when it merged with the Alaska Pipeline Commission. In 1999, the Legislature reorganized and renamed the agency the Regulatory Commission of Alaska.

Utility commissions were originally created to protect consumers, because most utility services are provided by monopolies. Today, Commissions are faced with the challenge of evaluating regulations and considering policy changes to encourage competition while protecting consumer interests. The Commission balances the need for utilities and pipeline carriers to show a profit for their investments and the public's right to receive quality service at a fair price. The Commission currently regulates the rates, services, practices, or facilities of 228 utilities and 19 pipeline carriers in Alaska.

The Commission achieves this balance by issuing certificates of public convenience and necessity to qualified service providers. This certificate is a license to operate and details how the utility or pipeline carrier must conduct business. The Commission also establishes rates, terms, and conditions of service while overseeing the practices, services, and facilities of regulated utilities and pipeline carriers.

The Commission has specific jurisdiction over the operation of electric utilities, natural gas utilities, refuse (garbage) collection, sewer (wastewater) treatment, steam heat producers, telephone companies (local and in-state services), water utilities as well as oil and gas pipeline carriers.

The Commission also computes the power costs and resultant state assistance amounts for customers of electric utilities participating in the Power Cost Equalization (PCE) program.

The Commission carries out its regulatory responsibilities through several means. It conducts audits, investigations, public meetings, Tariff Action meetings, formal proceedings, informal meetings and conferences, and resolves consumer complaints by telephone, mail, meeting, or order.

The Commission also functions as a quasi-judicial body when rendering decisions in formal proceedings and as a quasi-legislative body when establishing and enforcing its regulations. The statutes and regulations of the state govern the Commission's proceedings and determinations.

## **RCA FY01 overview (continued)**

### **Funding**

In 1992, following the mandate of the legislature, the Commission enacted regulations allowing it to recover its operating costs through an assessment on the revenues of the utilities and pipeline carriers it regulates. This Regulatory Cost Charge (RCC) shows up as a surcharge on the monthly billing statements to consumers and shippers.

The Legislature appropriated and the Governor approved a FY02 budget of \$5.87 million, funded entirely from the RCC. There are no unrestricted general funds in the FY01 appropriation.



**Assistant Attorney General Steve DeVries; Utility Financial Analyst Kate Koch; Assistant Attorney General Ron Zobel; Public Advocacy Section Chief Lew Craig (seated); and Utility Engineer Analyst Tim McConnell**

## Operating budget FY01 (7/1/00 to 6/30/01)

	FY00	FY01	Percent change
<b>Appropriations</b>			
Personal services	\$3,287,000	\$3,422,400	
Travel	35,000	52,200	
Contractual	1,300,900	1,808,700	
Commodities	62,500	62,500	
Equipment	13,800	13,800	
<hr/>			
<b>Totals</b>	<b>\$4,699,200</b>	<b>\$5,359,600</b>	<b>12.0%</b>
<b>Expenditures</b>			
Personal services	\$2,989,089	\$3,402,786	
Travel	56,692	72,359	
Contractual	1,145,843	1,583,573	
Commodities	77,919	48,615	
Equipment	19,689	10,589	
Relocation costs	0	140,249	
<hr/>			
<b>Totals</b>	<b>\$4,289,232</b>	<b>\$5,258,171</b>	<b>18.0%</b>
<b>Revenue receipts<sup>1</sup></b>			
General Fund PR	\$4,289,232 <sup>2</sup>	\$5,258,171 <sup>2</sup>	
<hr/>			
<b>Total revenues</b>	<b>\$4,289,232<sup>3</sup></b>	<b>\$5,258,171</b>	<b>18.0%</b>

<sup>1</sup> The Commission received revenues under various provisions of its statutes including copying and postage charges (AS 42.05.201) and cost allocations in proceedings (AS 42.05.651/AS 42.06.610).

<sup>2</sup> FY00 and FY01 RCC User Fee revenues are recognized on the modified accrual method of accounting. Fourth quarter revenue is recognized as of June 30th, but collected in July.

<sup>3</sup> FY00 revenues were restated to reflect the modified accrual method of accounting for RCA user fee receipts.

### Regulation and economic development

The Regulatory Commission of Alaska supports economic development by providing reliable utility services at affordable rates. The Commission has three tools within its jurisdiction for economic development:

#### **1. Certification Proceedings**

The Commission issues Certificates of Public Convenience and Necessity to qualified applicants to provide utility or pipeline services. Review of applications assures that the operator has the financial, technical and management capability to meet present and future demand for services. Reliable and efficient utility and pipeline services increase the likelihood of development in an area.

#### **2. Rate Regulation**

The Commission regulates pipelines and utilities to assure reasonable and just rates to the consumer with fair rates of return to the utilities. The Commission has jurisdiction to consider and approve economic development incentive rates. The Commission also has jurisdiction over special contracts and promotions, which are reviewed for consistency with the public interest.

#### **3. Comparative Information**

The Consumer Protection and Information Section can provide information to consumers about comparative utility services and rates based on filed tariffs.

Encouraging rural economic development requires innovative solutions. One of the keys is the improvement of infrastructure to offer advanced telecommunications and energy services in rural areas. Better delivery systems mean a lower cost of power and phone service. Once these communities are linked to the "communications superhighway," there will be more local opportunities for economic interaction in the global marketplace.



Utility Tariff Analyst Jennifer Meiwes and Chief Utility Tariff Analyst Wendy Arnett (seated); Utility Tariff Analyst Matt Angner; Administrative Clerks Joy Gordanier and Brian Beard

## Fiscal Year 2002 plan

### **Pipeline**

The Commission will continue to resolve pending disputes over pipeline tariff rates. We are actively working on issues relating to the construction of a natural gas pipeline from the North Slope and the renewal of the Trans Alaska Pipeline System (TAPS) right-of-way.

### **Electricity**

The Commission will continue to review and approve electric rates charged by regulated electric utilities statewide.

### **Refuse**

The Commission will continue to monitor refuse service statewide and allow competition when it is in the public interest.

### **Natural Gas**

The Commission will continue to review applications to expand the areas of the state where natural gas is available for heat.

### **Water and Sewer**

The Commission will continue to coordinate with state and federal agencies to implement the standards of the federal Clean Water Act.

### **Telecommunications**

The Commission will continue to fulfill the directives of the 1996 Telecommunications Act to allow competition to bring choices to telecommunications consumers. The Commission is also encouraging the improvement of the statewide network to allow the delivery of affordable high-speed data and voice services to all communities in Alaska.



Common Carrier Specialists Richard Gazaway, Lorraine Kenyon, Phil Treuer (seated), and Michael Mora

## **Public Advocacy Section**

The Public Advocacy Section (PAS) was established by the Legislature in 1999 to operate independently from the Commission and represent the public interest. The Commission assigns cases to the section when a public interest perspective would clearly add to the full development of the record. As a party, the Public Advocacy Section investigates all relevant issues; as necessary, presents the results of its investigation to the Commission; and may submit stipulations of agreed upon issues for the Commission's approval.

For example, the PAS might participate in a case that directly involves a rate or condition of service that will apply to the public or a case that involves a substantial change in the market structure of an industry that is likely to affect the cost, availability or safety of a utility service. Also, the public interest could involve consumer interest in a case that is unlikely to be adequately represented by the existing parties. The PAS might also represent the public interest by providing the Commission with an objective third party perspective in proceedings that involve multiple utilities with differing interests.

The PAS investigation generally includes historical and subject area research of the utility proposal, onsite audits of the company's books, propounding discovery and answering discovery served by other parties on the PAS, filing written testimony and supporting it at hearing, and preparing cross examination for interrogation of utility witnesses at hearing. Additionally, the PAS may engage in extensive settlement conferences when appropriate. The PAS staff is the only RCA staff with the responsibility to participate as a party (when named by the Commission) and testify in proceedings before the Commission.

For FY01 the PAS consisted of two utility financial analysts, one utility engineering analyst (half year), one half time clerk, and the section chief. Legal support and representation was provided by two Assistant Attorneys General assigned to work 150% of their combined time on PAS matters (with 50% of their combined time devoted to Commission appeal work). The PAS also makes limited use of outside consultants.

Since its inception in 1999 through June 30, 2001, the PAS had been appointed to participate as a party in 71 dockets. Thirty-seven of those dockets have been closed or no longer require PAS involvement. The remaining thirty-four dockets are active in various stages of investigation by the PAS.

In FY01 the PAS participated in ten separate hearings before the Commission and testified regarding: Trans Alaska Pipeline oil transportation rates, Matanuska Telephone Association, Inc. local exchange telephone company rates, Golden Heart Utilities sewer and water rates, Matanuska Electric Association, Inc. electric rates and Alaska Communications Systems' expansion of local telephone service to residents of Port Graham. In total the PAS spent forty-six days at hearing. The PAS also attended numerous prehearing scheduling and discovery conferences before Commission hearing examiners.

The PAS was also a party to stipulations filed to resolve issues in seven dockets. The Commission approved settlements setting local exchange telephone rates and electric rates for subsidiaries of Alaska Power and Telephone; electric rates for Tanana Power; and electric rates for T-HREA. The Commission also approved a stipulation allowing residents of a Fairbanks subdivision to receive extended local exchange telephone service.

## FY01 significant events

### Telecommunications Service

#### **Local Competition**

On July 7, 2000, we approved the application of GCI Communication, Inc. to provide local service in Juneau, Fairbanks, and surrounding areas. As a result customers in those areas will benefit by having a competitive choice in local carrier. During the last fiscal year, we have also been involved in various court challenges seeking to overturn our orders opening up the Fairbanks and Juneau markets to local competition. While we presume outstanding court challenges will fail, if the incumbent carrier is successful in overturning key Commission decisions in this area, then local competition in rural Alaska markets could be delayed or halted. (U-00-02)

#### **Telecommunications Relay Service**

On September 15, 2000, we adopted revised regulations for the provision of Telecommunications Relay Service (TRS). TRS is a service, required by the Americans with Disabilities Act and state law, that provides service to deaf, hard-of-hearing, and speech impaired telephone customers that, to the extent possible, is functionally equivalent to that experienced by hearing users. TRS operates through use of operators (known as communications assistants or CAs) that relay or translate communications between (hearing) customers using traditional telephones and (deaf, hard-of-hearing, and speech-impaired) customers using keyboard devices (e.g., computers or TTYs). The new regulations permit the competitive selection of a TRS provider every five years. (R-97-08)

#### **Universal Service—Public Interest Pay Telephones**

On October 20, 2000, we adopted regulations that will provide public interest pay telephones. The regulations will ensure that there is at least one pay telephone in each community throughout the state. (R-97-03)

#### **Access Charge Reform**

On April 11, 2001, we issued a Notice of Inquiry (NOI) into further reform of the charges paid by long distance carriers to access local exchange carrier networks for origination and termination of in-state long distance calls. The NOI initiates the second phase of access reforms that began with the adoption of the federal Telecommunications Act of 1996. Phase 2 focuses on the growing disparity between state and interstate long distance rates caused by the differences between state and federal access charge rate design. (R-01-01)

#### **Universal Service—Federal Compliance**

During May 2001, the Federal Communications Commission issued several critical orders revising federal universal service funding policies affecting Alaskan carriers. We held a workshop and continue to develop options for preparing for the upcoming changes to federal policies. (CC Docket No. 96-45, R-00-01/U-01-90)

#### **Universal Service—Lifeline**

On May 11, 2001, we ruled that all of Alaska qualified for Enhanced Lifeline and Expanded Linkup services under the Federal Communications Commission's recent order providing additional funding to areas deemed Tribal Land. As a result of this order, virtually all low-income customers in Alaska that meet a means test and choose to participate receive local phone service at \$1.00 per month. Funding for these programs comes primarily from federal sources. (R-00-07)

## **FY01 significant events (continued)**

### **Slamming**

Slamming refers to the unauthorized switching of a customer's long distance carrier. We addressed slamming by adopting regulations on how changes to a customer's preferred long distance or local exchange carrier may occur and penalties for noncompliance. Due to inconsistencies between state regulations and federal rules, we repealed state slamming regulations and enacted new state slamming regulations that adopted the federal slamming rules. We also assumed responsibility for resolving slamming allegations concerning local exchange and intrastate, interstate, and international long distance service. (R-00-06)

### **Electric Service**

#### **ML&P Applies to Serve Additional Military Base Customer**

We opened this docket to consider the ML&P's application for authority to serve the State of Alaska, Department of Fish & Game Hatchery, a non-military customer located on Fort Richardson Military Reservation. After our initial order, ML&P petitioned for reconsideration. We permitted Chugach to respond to ML&P's petition for reconsideration. Later we invited others, including the Department of Defense and the Public Advocacy Section, to comment on the issues raised by the participants. The participants extensively briefed the issues of whether we have jurisdiction over utility service on the military bases, and what law controls when a state regulatory scheme conflicts with federal laws requiring competitive bidding. We determined that we have jurisdiction over utility service on military bases and approved ML&P's application. (U-00-79)

#### **Goat Lake Hydro, Inc., Request to Implement Rate Stabilization Accounting Methodology**

After hearing, we approved a stipulation between the Public Advocacy Section and certain regulated Alaska Power & Telephone Company (AP&T) electric and telephone subsidiaries, which determined permanent rates for substantially all of those subsidiaries. The AP&T subsidiaries provide service in various communities in Southeastern and Interior Alaska. As part of our approval of that stipulation, we approved a request by one of AP&T's subsidiaries, Goat Lake Hydro, Inc., (GLH) to implement a Rate Stabilization Accounting Methodology, by which GLH would continue to collect at current rates for its wholesale energy sales to its sister company, Alaska Power Company (APC) while temporarily deferring the difference between actual costs incurred and revenues collected as a regulatory asset. GLH's proposed methodology is designed to address inter-generational inequities, which can occur when large, long-lived capital investment additions are made. Under the methodology requested by GLH, continued application of the levelized rate will, under an assumption of increased load growth, result in increases in the deferred asset over a period of time, with eventual amortization of the deferred balance occurring approximately half-way through the thirty-year expected lives of the hydro-electric projects. The wholesale rates are forecast to decline slightly thereafter. (U-99-02/U-99-116/U-99-125/U-93-81/U-00-34/U-00-96)

#### **Chugach Electric Association, Inc. Proposed Economic Viability Tariff**

We approved an Economic Viability Tariff proposed by Chugach Electric Association, Inc. (Chugach) along with a special contract between Chugach and Alaska Seafood International, LLC. (ASI). Together the tariff and special contract allow ASI to receive discounted service, offset by the estimated economic benefit received by Chugach as a result of successful ASI

## **FY01 significant events (continued)**

operations during the life of the contract. The Economic Viability tariff will allow Chugach to offer discounted service to businesses considering operations in Anchorage that will provide commensurate economic benefits to Chugach's cooperative membership. (TA215-8)

We also conditionally approved an extension of the special contract between Chugach and the City of Seward for discounted wholesale service through January 31, 2006, in order to facilitate long-term planning for Chugach and Seward. (TA219-8)

### **Natural Gas Service**

#### **Commission Grants Alaska Intrastate Gas Company Time Extension To Initiate Service**

On December 31, 1998, we approved with conditions the application for a certificate of public convenience and necessity made by Alaska Intrastate Gas Company (AIGC) to provide natural gas public utility service to the 17 communities of Angoon, Cordova, Craig, Haines, Juneau, Kake, Ketchikan, Klawock, Klukwan, Kodiak, Metlakatla, Petersburg, Sitka, Skagway, Valdez, Wrangell, and Yakutat. At that time, we gave AIGC until July 1, 2001, to file proof of its financial fitness and to commence service to the Phase I communities of Juneau, Ketchikan, and Sitka. On June 29, 2001, we granted AIGC's request and extended to July 1, 2002, AIGC's deadline to file proof of its financial fitness and permanent financing for its proposed operations. We also granted AIGC a two-year extension to July 1, 2003 in which to notify us that service is initiated. (U-97-46)

### **Refuse Service**

#### **Investigation to Consolidate Refuse Certificates**

We opened a docket of investigation to examine whether all refuse utilities owned by Waste Management of Alaska, Inc., a wholly-owned subsidiary of Waste Management, Inc., (UWA/WMI) should be consolidated under a single certificate and tariff. UWA/WMI subsequently filed and we approved an application to consolidate and merge its certificated refuse public utility operations in Alaska under a single certificate. We also approved the application to change its name to Waste Management of Alaska Inc., d/b/a Anchorage Refuse, Andersen Services, Arrow Refuse, Peninsula Sanitation, Star Sanitation Service, Tongass Sanitation, Wasilla Refuse and Williwaw Services (WMA). We continue to investigate whether WMA's rates are just and reasonable. (U-00-30)

### **Sewer and Water Service**

#### **Commission Grants Exemption to a Homeowners Association Which Owns a Water and Sewer Utility Located within the Service Area of a Certificated Utility**

On July 17, 2000, Birch Knoll, LLC (BK), filed a petition requesting exemption from regulation under AS 42.05.711(d). In its petition, BK asserted that its proposed water and sewer systems are being constructed to serve only the BK Project, which consists of 46 duplex buildings (92 units total) in South Anchorage. The BK Homeowners Association will own, operate, and maintain the BK systems. BK further noted that its systems would not be a stand-alone system but connected to Anchorage Water and Wastewater Utility's (AWWU) systems. On May 2, 2001, we granted BK's request based upon the following conditions:

## **FY01 significant events (continued)**

- Customers must be members of an association, meeting the requirements of AS 34.08 (Uniform Common Interest Ownership Act).
- Customers must be provided significant protection by virtue of their right to control management and operation of utility services through Association membership.
- Ownership of the property, which qualifies an individual for customer/member status, must be sufficiently dispersed so that no single entity or affiliated entities control more than 20 percent of the Association after two years of initiating service.
- The utility system must be connected to a certificated public utility, but must not: (a) use a pressure-reducing valve to connect to the supplying main; (b) provide additional treatment to the water supply before distribution; or (c) sub-meter the water or require payment as a separate line-item on a bill.
- The system of pipes and appurtenances must meet the engineering guidelines of the certificated water or wastewater provider utility.
- The system of pipes and appurtenances must be within the service area of the certificated water or wastewater provider utility.
- The exemption will be revoked if the customers/members of the homeowner's association vote to terminate the exemption by the process established in AS 42.05.712.

We found these conditions are comparable to the Environmental Protection Agency's rules governing which Public Water Systems are required to conduct testing in compliance with the Safe Drinking Water Act (SDWA). The Alaska Department of Environmental Conservation does not require water and wastewater utilities, which meet these conditions, to perform routine testing. (U-00-111)

### **Pipelines**

#### **Trans Alaska Pipeline System (TAPS)**

We proceeded with our investigation of the justness and reasonableness of the TAPS Carriers' 1997, 1998, 1999, and 2000 transportation rates. Our predecessor agency, the Alaska Public Utilities Commission (APUC), began that investigation in 1997 after Tesoro Alaska Company filed a rate protest. We consolidated our investigation of TAPS dismantling, removal, and restoration issues, also begun by the APUC, with the TAPS rate issues.

We held a five-week hearing in the consolidated TAPS proceeding in spring 2001. At the hearing Tesoro, Williams Alaska Petroleum, Inc., and our Public Advocacy Section contended that TAPS rates were too high. The TAPS Carriers and the State of Alaska defended the rates. We expect to issue a decision in fall 2001. (P-97-04/P-97-07)

We approved the combining of two separate TAPS interests held by Phillips Petroleum Company (Phillips). Phillips had held a small share of TAPS since TAPS was built. In 2000, Phillips acquired Atlantic Richfield Company's substantial share of TAPS. Those two shares are now one. (P-00-21)

We denied, without prejudice to refiling, the transfer of a small portion of British Petroleum's (BP) share of TAPS to Phillips Petroleum Company. Phillips sought that share in order to better align its TAPS interests with its North Slope production. To approve a transfer we must find that the transfer is in the best interest of the public. There was not enough evidence in the record to make a public interest finding. Phillips and BP have reapplied and we expect to act on their proposed transfer in fall 2001. (P-00-20/P-01-08)

## FY01 significant events (continued)

### North Slope Pipelines

We granted a certificate of public convenience and necessity for construction and operation of the Milne Point Products Pipeline. That pipeline transports natural gas liquids from the terminus of the Oliktok Pipeline to the Milne Point field. The natural gas liquids originate in the Prudhoe Bay Central Gas Facility and are initially transported through the Oliktok Pipeline. The natural gas liquids are used to boost oil production in the Milne Point field. (P-01-04)

Our investigations into the initial transportation rates of the oil and gas pipelines serving the Northstar oil field and the oil pipeline serving the Alpine oil field continued. (P-98-07/P-00-19/P-00-15)

### Cook Inlet Pipelines

For the first time, we appointed a settlement judge to conduct formal settlement proceedings in a pipeline case. The State of Alaska had filed a complaint against Cook Inlet Pipe Line Company claiming that the rate charged for transportation on the Cook Inlet Pipeline was too high. The parties reached a settlement of the rate issues as a result of our formal settlement proceedings. We expect to rule on that settlement in Fall 2001. (P-92-05/P-95-04)



Administrative Clerk Giggette Nicolas; Chief Utility Financial Analyst Keith Day; Utility Financial Analyst Darlene Herrera (seated); and Utility Financial Analysts Chris Smith and Felix Melendez



Economist Antony Scott

**Fully regulated utilities  
financial data (in dollars)**

Net plant	1997	1998**	1999	2000
Cable Television***	Not reported	\$6,751,000	\$6,232,000	\$6,574,000
Electric	\$1,242,009,668	1,233,579,201	1,307,506,511	1,306,878,407
Gas	175,911,880	179,757,326	180,458,522	186,650,434
Refuse	5,917,998	6,638,960	5,998,254	3,072,122
Steam Heat	Not reported	Not reported	1,776,628	7,991,033
Telephone*	567,861,977	417,024,290	660,653,316	642,361,941
Wastewater	71,855,340	97,823,582	103,568,947	84,272,842
Water	105,282,243	153,698,530	162,073,055	125,579,941
<b>Total net plant</b>	<b>\$2,168,839,106</b>	<b>\$2,095,272,889</b>	<b>\$2,428,267,233</b>	<b>\$2,363,380,720</b>
<b>Gross revenue</b>				
Cable Television***	Not reported	\$5,372,000	\$5,811,000	\$6,189,000
Electric	\$494,552,901	504,513,606	513,714,260	504,496,599
Gas	103,593,238	100,865,752	110,451,278	99,580,257
Refuse	27,406,533	26,633,726	20,292,002	19,112,436
Steam Heat	Not reported	Not reported	1,414,788	1,540,413
Telephone*	364,155,676	235,846,988	142,796,701	353,117,173
Wastewater	23,261,062	31,473,874	32,343,760	32,518,942
Water	28,065,648	35,647,884	35,503,989	36,029,727
<b>Total gross revenue</b>	<b>\$1,041,034,458</b>	<b>\$940,353,830</b>	<b>\$862,327,778</b>	<b>\$1,052,584,547</b>
<b>Net income</b>				
Cable Television***	Not reported	\$784,000	\$972,000	\$981,000
Electric	\$34,172,311	41,455,886	42,773,482	36,416,764
Gas	15,225,745	15,710,652	18,010,521	8,789,246
Refuse	342,787	2,817,821	3,885,765	2,632,125
Steam Heat	Not reported	Not reported	(2,796,173)	(1,492,060)
Telephone*	39,852,785	24,105,402	12,090,083	23,863,094
Wastewater	3,312,073	4,067,810	5,016,028	4,988,554
Water	3,770,571	6,224,657	208,994	6,811,516
<b>Total net income</b>	<b>\$96,676,272</b>	<b>\$95,166,228</b>	<b>\$80,160,700</b>	<b>\$82,990,239</b>
<b>Customers</b>				
Cable Television***	Not reported	9,420	7,822	8,130
Electric	214,522	218,621	225,821	223,425
Gas	94,000	98,220	99,295	103,728
Refuse	49,904	52,116	50,359	51,160
Steam Heat	Not reported	Not reported	124	135
Telephone*	140,293	222,221	118,660	592,815
Wastewater	48,782	57,364	62,949	59,219
Water	49,584	58,212	60,586	60,292
<b>Total customers</b>	<b>597,085</b>	<b>716,174</b>	<b>625,606</b>	<b>1,098,904</b>

\* 1998 amounts include Local Exchange Carriers only. Excludes wholesale customers of intrastate interexchange carriers in order to prevent double-counting and telephone utilities that filed information with the Commission as confidential.

\*\* 1998 totals incorrectly reported in 1999 annual report.

\*\*\* Cable television utilities are not regulated by the Regulatory Commission of Alaska as to rates and services with the exception of GCI Cable/Juneau, Inc., which is rate regulated for basic tier channels.

# CORRECTION

THE FOLLOWING DOCUMENT(S)  
HAVE BEEN REFILMED TO  
ASSURE LEGIBILITY OR PAGINATION



Central Microfilm Services  
Department of Education & Early Development  
State of Alaska

**Fully regulated utilities  
financial data (in dollars)**

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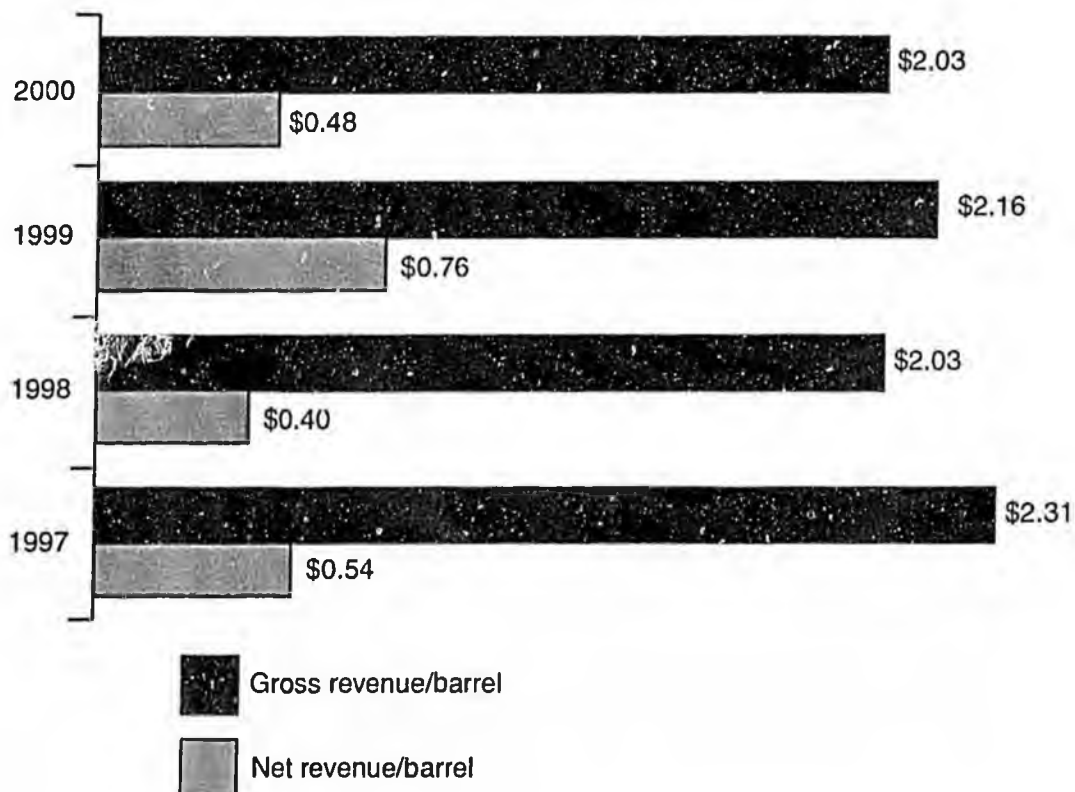
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## Oil pipeline carrier financial data

Carrier property	1997	1998	1999	2000
Gross	\$10,870,626,467	11,143,942,613	11,167,509,117	11,422,190,371
Net	\$4,520,270,591	4,409,150,310	4,202,504,850	4,169,113,782
Revenue				
Gross	\$1,476,996,502	1,395,820,949	1,440,629,200	1,307,978,918
Net	\$347,415,918	274,463,173	504,581,438	306,261,965
Throughput (barrels)	638,076,891	686,390,088	668,104,686	642,774,155
Gross revenue (per barrel)	\$2.31	2.03	2.16	2.03
Net revenue (per barrel)	\$0.54	0.40	0.76	0.48

**Figure 1**  
Total revenue per barrel of oil



## **Consumer protection**

Utility customers with complaints have the right to seek relief from the Regulatory Commission of Alaska.

While the Commission urges the public to attempt to resolve problems directly with their utility first, customers who cannot resolve the matter may file an informal complaint with the Consumer Protection staff of the RCA either by letter, e-mail, phone or in person.

RCA staff will then contact the utility to determine its position. Staff will review the complaint, the utility's tariff, Commission orders and applicable statutes and regulations to determine the validity of the complaint. Thereafter, an appropriate course of action will be established. Staff can, for example, require the utility or pipeline carrier to conform to the standards spelled out in the applicable tariff. If the consumer is not satisfied with staff's decision, a formal complaint may be filed directly with the Commission through the appeal process.

Investigating and resolving complaints has become a vital element in the Commission's public protection role. Following are some examples of complaints handled by the staff in FY01.

### **Water**

On September 26, 2000, an Anchorage developer wrote a letter of complaint to the RCA regarding a local water utility's refusal to install water meters. The developer requested that the utility install one meter on each building within a development of duplex style condominiums. The developer had reviewed the utility's tariff and determined that it allowed the utility to install water meters on two or three dwelling units, upon request. According to the developer, the utility initially agreed to install one meter on each duplex but later stated an objection and rescinded its agreement. The utility did not dispute that the tariff allowed it to install meters on two or three dwelling units, however, it was the utility's position that the tariff rule was not intended for condominium developments. It was also the utility's position that it would be more costly for the utility and the condominium association, and it would not provide any benefit to the condominium owners who shared one meter. The utility insisted that it would only install a master meter on the building.

Staff reviewed the utility's tariff rule and determined that it did not make a distinction between duplexes and duplex style condominiums. However, Staff knew that when more than one tariff rate or rule could be applied, the rule that was most advantageous to the customer must be used. Additionally, the rules allow the utility to, at any time going forward, request RCA approval to revise any rate or rule. Staff did not agree with the consumer's reasoning, however, Staff was obligated to interpret the rule as it was written. Staff rendered its decision on October 20, 2000, which favored the customer's position. However, the utility maintained its position and would not install the meters the developer requested. The developer filed a formal complaint on November 22, 2000 and on December 14, 2000, the utility agreed to install a meter on each duplex. The complaint was withdrawn.

### **Electric**

On November 3, 2000, a Fort Yukon customer filed a billing complaint against the local electric utility. The customer complained that she had requested service be transferred from one location to another, however she was billed for overlapping service at both locations. When she questioned the billing invoice with the utility, it refused to explain the billing period, how the bill was calculated, and it did not issue a credit. Furthermore, the utility told the

## Consumer protection (continued)

customer to post a deposit. In addition to the billing issue, the customer did not understand why a deposit was being requested when she was already a customer. The customer thought that the utility had retaliated by requiring a deposit, because she had complained about the bill.

Staff contacted the utility to request billing history for both locations, including the dates of connection and disconnection, the dates the meters were read, and the tariff rule that governed deposits. The utility gave Staff billing information, including the meter readings, and payment information on the two accounts. The information the utility provided revealed that the utility had under-billed one account for eight days of service and over-billed the second account for eight days of service. Since the daily usage at both locations varied slightly, but to the customer's benefit, Staff determined that no adjustments were needed. Staff determined that the utility could legally require a deposit for newly established accounts. The utility did not pursue the deposit issue because the landlord posted the deposit for service at the new location. The customer's complaint was resolved to the customer's satisfaction and the file was closed on February 1, 2001.

During Staff's review of the customer's billing and deposit complaint, Staff discovered that the utility's billing format was confusing and that it did not comply with the electric regulations. Staff recommended specific changes that were necessary to bring the billing format into compliance with the regulations. These changes would reduce billing format complaints, eliminate customer confusion, and ultimately save time dealing with those issues both for the utility and Commission Staff. Staff recommended that the utility make the changes within 90 days and Staff agreed to review a draft of the billing format with the recommended changes. On April 25, 2001, Staff reviewed the utility's first draft of changes. The utility submitted its final revision on June 14, 2001.

### Telephone

On April 30, 2001, the Consumer Protection Section received a verbal complaint from a Fairbanks customer who was disabled and on "Lifeline", a Universal Service program that provides discounted local telephone service for disabled and low-income consumers. The customer complained that she received a bill from the local telephone utility for service in 1997. She denied that she owed the debt because she had never resided at the location listed on the bill. However, she acknowledged that she had once been assigned the telephone number listed on the bill and she recognized some of the toll calls on the bills.

The telephone utility insisted that she used service at the billing address and threatened to disconnect her local telephone service if she did not pay the old debt of \$335.82.

After investigating the complaint Staff determined that the customer had never resided at the location and the service had not been provided by the local telephone utility. The old debt had been transferred to the current utility from the city owned utility as the result of a sale of the utility. Staff determined that the customer made the calls but the Universal Service rules did not allow disconnection of Lifeline service for non-payment of a debt that was incurred before the customer enrolled in the Lifeline program.

Eventually, the utility acknowledged that it had referenced the wrong billing address, which may have created customer confusion. It agreed that it would not disconnect service based on the old debt because of the Universal Service Rules. Instead, it would pursue collection through a collection agency. The utility also acknowledged that it could only disconnect the customer's current service, after adequate notification, if the account became delinquent. The matter was resolved to the customer's satisfaction and the file closed on May 31, 2001.

## Informal complaints

Utility customers and pipeline shippers with complaints about the way they are being treated have the right to seek relief from the Commission. If the Commission determines the complaint results from a violation of a tariff, then it can force the utility or pipeline carrier to conform to the minimum standards spelled out in the tariff.

Investigating and resolving complaints has become a vital element in the Commission's public protection role. In FY01, the Commission received 682 new complaints and resolved 670 cases, both old and new.

**Figure 2**  
**Informal complaints by category**

	FY98	FY99	FY00	FY01
Billing practices	300	309	240	239
Rates and charges	53	11	7	46
Quality of service	263	246	254	292
Service availability and line extensions	90	227	89	105
<b>Totals</b>	<b>706</b>	<b>793</b>	<b>590</b>	<b>682</b>
<b>FY percent change</b>	<b>+23%</b>	<b>+13%</b>	<b>-26%</b>	<b>+16%</b>

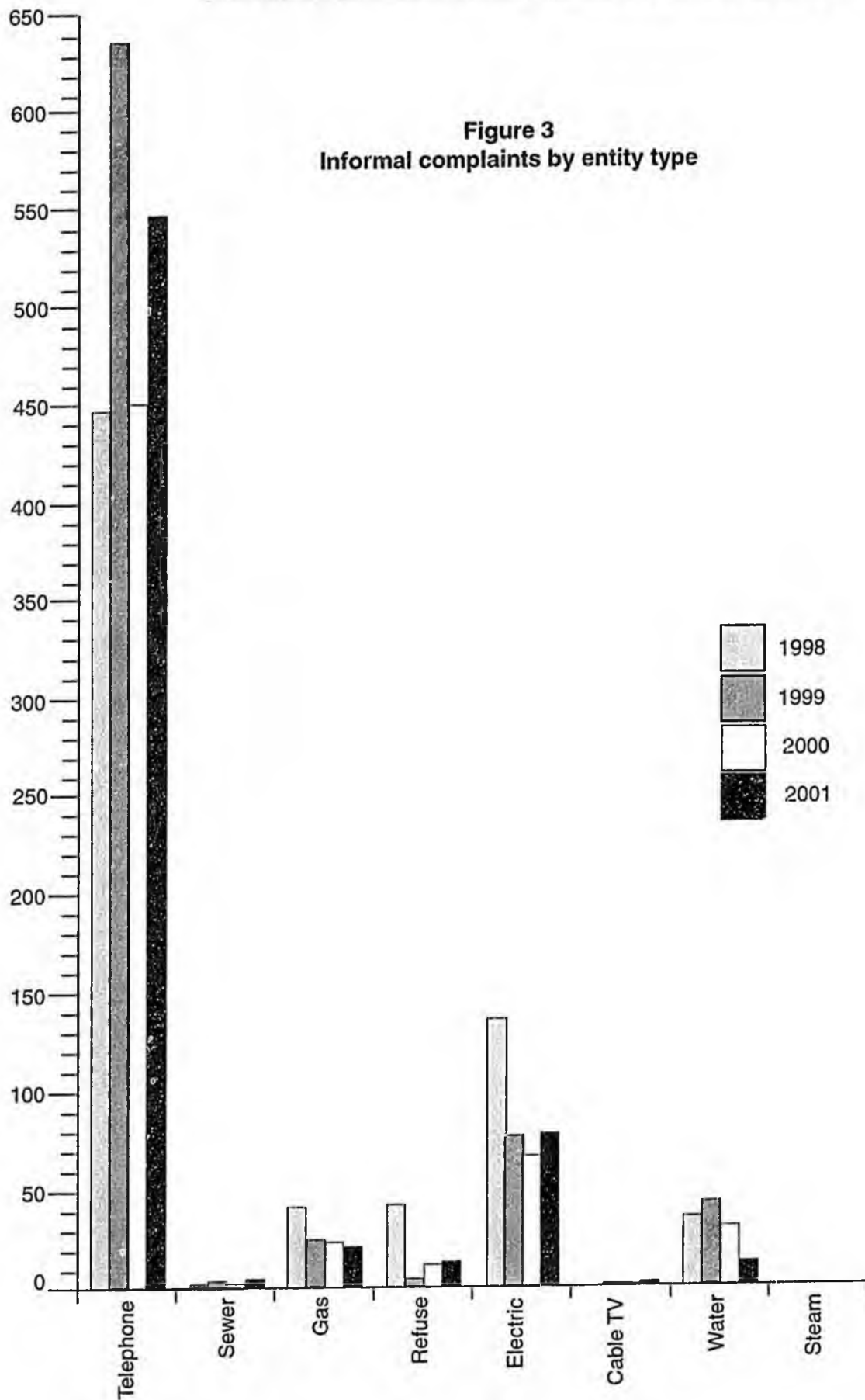
As Figure 3 on the following page demonstrates, electric and telephone utilities continue to generate the majority of informal complaints received by the Commission. This is generally to be expected, because these utilities account for the greatest number of customers, the largest plant investment and the most frequent regulatory activities.

During FY01, the Consumer Protection Section processed 548 telephone complaints. Of these 265 concerned quality of service, 167 concerned billing practices, 90 concerned service availability and line extensions, and 26 concerned rates and charges.



**Consumer Protection and Information Officer Rose Weaver; Administrative Clerk Merry Johnson; Consumer Protection and Information Officer Tammy Alexander (seated); and Chief Consumer Protection and Information Officer Agnes Pitts**

### Informal complaints (continued)



**Informal complaints (continued)**

The number of telephone contacts and personal conferences handled by the Commission's Consumer Protection and Public Information Section over the past four years is shown in Figure 4.

**Figure 4  
Consumer protection/public information contact summary**

<b>Category</b>	<b>FY98</b>	<b>FY99</b>	<b>FY00</b>	<b>FY01</b>
Telephone contact (includes incoming & outgoing calls)	9,908	11,198	9,400	10,366
Conferences	397	298	383	340

Informal complaint activity by the Consumer Protection and Public Information Section over the past four years is summarized in Figure 5.

**Figure 5  
informal complaint activity**

<b>File activity</b>	<b>FY98</b>	<b>FY99</b>	<b>FY00</b>	<b>FY01</b>
Pending complaints (beginning of year)	5	47	22	7
New complaints received	706	793	590	682
Complaints resolved	664	818	605	670
Pending complaints (end of year)	47	22	7	19

The vast majority of complaints are resolved informally. However, there are procedures for instituting a formal complaint if an informal complaint can not be resolved. If a formal complaint is accepted by the Commission for adjudication, it is assigned a docket number and an investigation is instituted into the issues raised in the complaint. In FY01, three informal complaints appealed staff's decision and were docketed for adjudication.

## Certification proceedings

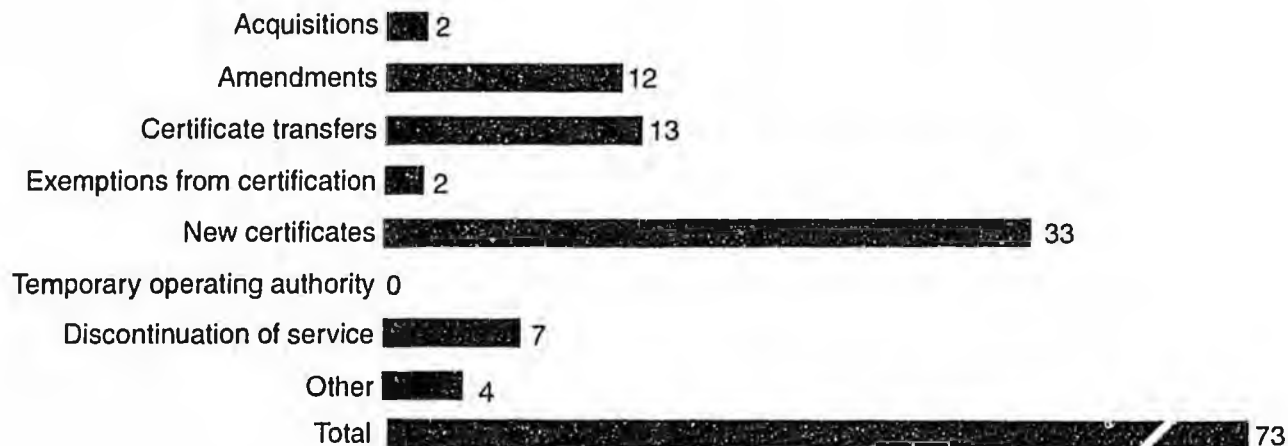
A Certificate of Public Convenience and Necessity must be obtained by every utility (with limited exceptions) and pipeline carrier proposing to provide service to the public for compensation. Additionally, the Commission must approve all amendments to, or transfers of, certificates, as well as acquisitions of controlling interest in certificate holders.

The criteria for issuing certificates are prescribed by law. The service must be required for the public convenience and necessity, and the applicant must be fit, willing and able to provide the service. During FY01 the Commission processed 73 applications for certificates, depicted by entity and category in Figures 6 and 7.

**Figure 6  
FY01 Certification dockets by entity type**



**Figure 7  
FY01 Certification dockets by category**



## Certification proceedings (continued)

Most small electric utilities identified through the Power Cost Equalization program (PCE) applied for certificates prior to FY89. Several of these applications are still pending approval because of incomplete financial information or system safety considerations.

**Figure 8**  
**FY 98-01 Certification proceedings**

ENTITY TYPE	FY98	FY99	FY00	FY01
Cable TV	0	0	2	3
Electric	4	3	4	7
Refuse (garbage)	11	9	6	3
Gas	0	2	2	1
Pipeline	3	6	11	7
Sewer (wastewater)	3	1	2	4
Telecommunications	66	61	55	42
Water	11	5	2	6
Steam	1	0	0	0
<b>Totals</b>	<b>99</b>	<b>87</b>	<b>84</b>	<b>73</b>

CATEGORY	FY98	FY99	FY00	FY01
Temporary operating authority	0	3	1	0
New certificates	63	50	39	33
Amendments	13	9	13	12
Certificate transfers	9	9	23	13
Acquisitions	10	7	3	2
Exemption from certification	1	0	0	2
Discontinuation of service	1	1	0	7
Other	2	8	5	4
<b>Totals</b>	<b>99</b>	<b>87</b>	<b>84</b>	<b>73</b>

## Orders

The Commission issued 774 decisions or orders during the last fiscal year. They are categorized into two groups; substantive and procedural. Substantive orders reflect findings and conclusions based on evidence included in the formal record of the Commission. Procedural orders relate to the process and schedule used to handle a case. Figure 9 shows the orders issued by category for the last four years. Figure 10 shows the substantive and procedural orders issued by utility type during FY01.

**Figure 9**  
Orders issued  
FY98 - FY01

	FY98	FY99	FY00	FY01
Substantive	412	509	566	741
Procedural	27	144	34	33
<b>Totals</b>	<b>462</b>	<b>653</b>	<b>600</b>	<b>774</b>

**Figure 10**  
Total orders by entity type, substantive and procedural  
FY01

Total number of orders issued = 774

Utility Type	Substantive	Procedural
Telephone	368	7
Gas	23	0
Electric	139	16
Refuse (garbage)	35	1
Sewer (wastewater)	3	1
Water	11	0
Pipeline	99	6
Cable Television	6	0
Cellular	0	0
Generic <sup>1</sup>	57	2
<b>Totals</b>	<b>741</b>	<b>33</b>

<sup>1</sup> Generic count consists of Regulatory Dockets and Dockets which involved more than one type of entity.

## Tariff revisions

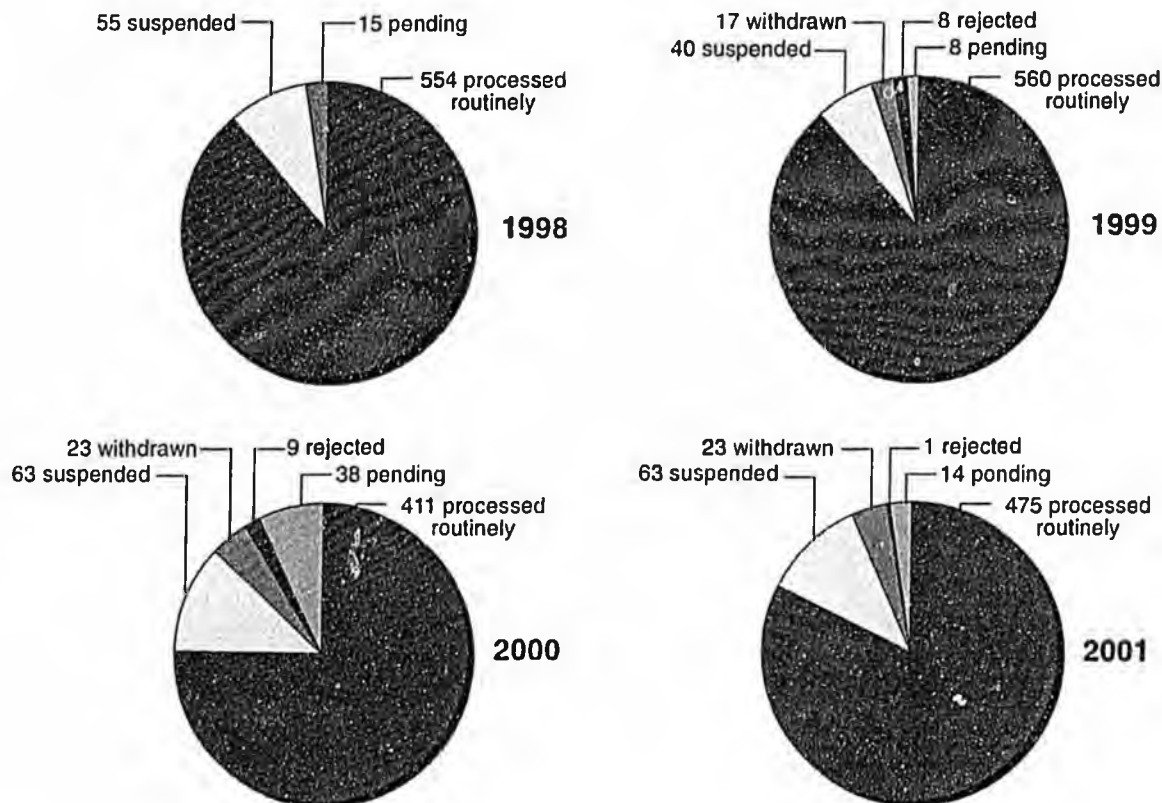
Tariffs are the written terms, conditions, rules and rates governing a utility's conduct in providing public service. They are similar to the bylaws of a corporation. In approving a Certificate of Public Convenience and Necessity, the Commission also reviews the tariff of the applicant. All regulated utilities and pipeline carriers are required to maintain a tariff and to operate under the terms of the tariff.

Regulated utilities and pipeline carriers must notify the Commission of any proposed changes to their tariffs. In most cases, the Commission must approve the tariff revisions before the revisions can take effect. For certain kinds of utilities, however, the Commission allows proposed tariff revisions to take effect automatically at the end of a 30-day period. The most common occurrence of tariff revisions taking effect automatically is with respect to interexchange telecommunications utilities. The Commission considers most tariff filings at "tariff action meetings" which are held in public twice monthly, generally on the first and third Thursday of each month.

Review, analysis and disposition of tariff filings are substantial elements of the Commission's workload. During FY01 there were 576 tariff filings submitted to the Commission. Of these, 475 were processed routinely (generally within 45 days of receipt). Of the remaining filings, 63 were suspended for further investigation, 1 was rejected, 23 were withdrawn, and 14 were pending.

A graphic indicator of the disposition of tariff revisions filed in fiscal year 2001 is shown in Figure 11.

**Figure 11**  
Tariffs filed — Tariffs suspended



## Tariff revisions (continued)

In FY01 there were 30 proposed general rate changes, 5 general rate restructurings and 6 simplified rate filings. Seventeen of the general rate changes were from pipeline carriers and 13 were from utilities. Of the 30 general rate changes, 17 were suspended, 12 were approved or went into effect automatically, and 1 was pending.

Figure 12 presents a statistical breakdown of requests for utility and pipeline carrier tariff changes by category. Each request is counted only once regardless of the number of proposed tariff changes it includes.

**Figure 12**  
**Utility and pipeline tariff revisions**

CATEGORY	FY98	FY99	FY00	FY01
General rate changes <sup>1</sup>	19	47	49	30
General rate restructurings	2	0	2	5
Simplified rate filings	3	2	0	6
New service/equipment offerings	183	168	143	100
Nonrecurring rates	20	8	5	7
Universal access surcharge	0	30	4	1
Regulatory cost charge	101	75	107	110
Contracts	12	46	16	24
Fuel, gas, and purchased power surcharges; power cost equalization filings; nonfirm power purchase rates	112	133	85 <sup>2</sup>	124 <sup>3</sup>
Rule changes	40	76	55	59
Miscellaneous	132	48	78	110
<b>Totals</b>	<b>624</b>	<b>633</b>	<b>544</b>	<b>576</b>
<b>FY percent change</b>	<b>+30%</b>	<b>+1.44%</b>	<b>-14%</b>	<b>+5.9%</b>

<sup>1</sup>In previous annual reports, some filings now shown in this category were classified as "miscellaneous". The "General Rate Changes" category does not include simplified rate filings.

<sup>2</sup>No PCE base rate changes.

<sup>3</sup>One PCE funding level change.

**Tariff revisions (continued)**

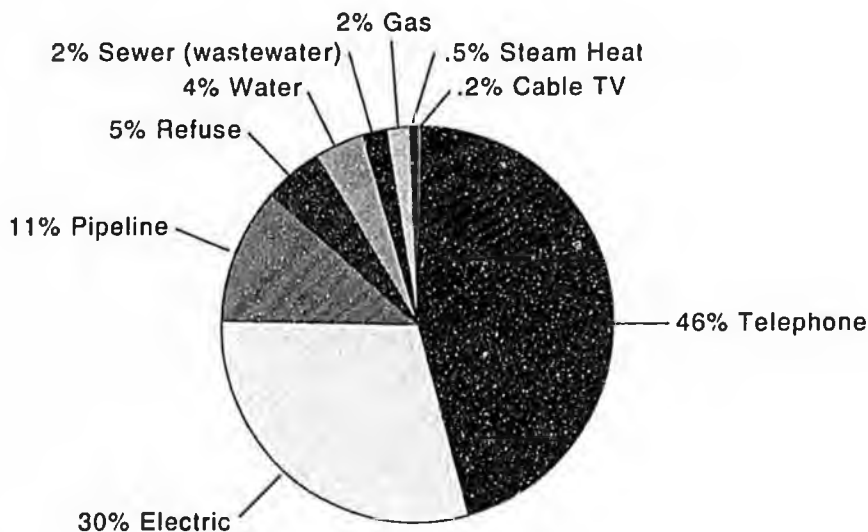
Figure 13 shows a summary of tariff filings used to generate the chart in Figure 14.

**Figure 13  
FY01 — Tariff filings**

Type	Number of filings
Cable Television	1
Electric	172
Gas	11
Pipeline	62
Refuse	30
Steam	3
Sewer (wastewater)	11
Telephone <sup>1</sup>	265
Water	21
<b>Total</b>	<b>576</b>

Figure 14 is a summary of the tariff filings received in FY01 classified according to utility type and pipeline carrier.

**Figure 14  
FY01 — Tariff filings by type**



<sup>1</sup> This number represents 133 filings made by Local Exchange Carriers and 132 filings made by Interexchange Telecommunications Carriers

## Formal proceedings (excluding certification)

In addition to the certification and tariff filings, the Commission institutes formal proceedings to consider a number of matters including

- rate changes,
- rule changes,
- special contracts,
- complaints against utilities and pipeline carriers,
- investigations of service quality or management practices,
- and regulations.

Frequently, requests for general rate changes also include or necessitate a restructuring of rates.

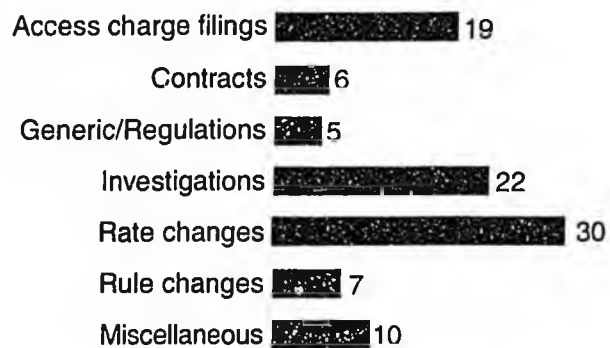
Rate-related filings continue to be the dominant component of the Commission's formal proceedings, excluding certifications, as shown in Figures 15 and 16. This statistic is significant because these proceedings tend to have a long-term impact on the Commission's workload. Considerable time and resources are required for audit, investigation, prefled testimony preparation, public hearings, determination and issuance of a decision, and processing any requests for reconsideration.

**Figure 15**  
**Formal proceedings**  
**(excluding certification)**  
**FY98 - FY01**

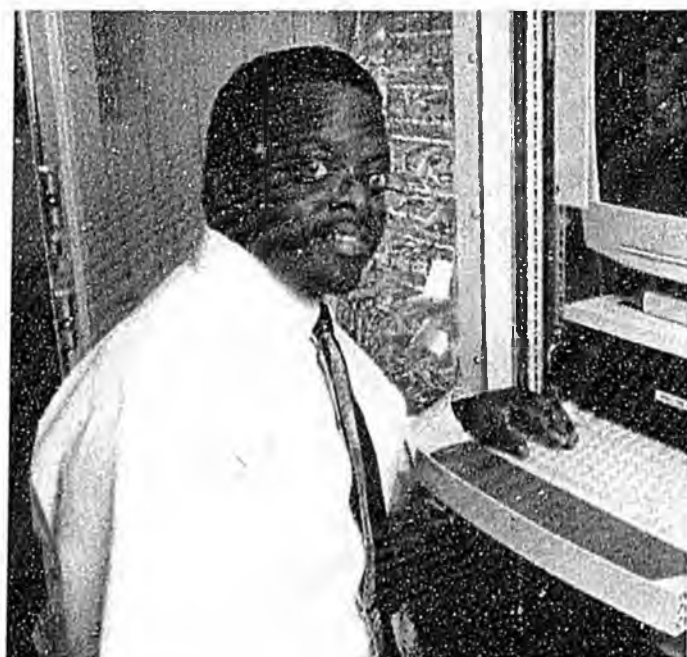
CATEGORY	FY98	FY99	FY00	FY01
Access charge filings	22	21	21	19
Contracts	6	2	1	6
Generic and regulation proceedings	12	5	10	5
Investigations:				
Complaints	12	0	7	12
Management practices	3	0	0	3
Interconnection	5	2	1	4
Eligible carrier designation	32	0	0	1
Other	5	3	7	2
Rate changes:				
General rate changes	4	6	18	1
Rate restructurings	3	0	5	9
Service/equipment offerings	36	12	13	18
Rates - other	6	6	1	2
Rule changes	2	1	0	7
Miscellaneous				
Equal access ballots	0	5	3	0
Protected status/confidential status	0	8	16	3
Other	19	0	18	7
<b>Totals</b>	<b>167</b>	<b>71</b>	<b>121</b>	<b>99</b>

## Formal proceedings (excluding certification, continued)

Figure 16  
Composition of FY01 formal proceedings  
(excluding certification proceedings)



Total formal proceedings (excluding certification proceedings): 99



Network Technician Vince Joseph



Analyst Programmer Christin Krieger

## Open dockets

All formal proceedings before the Commission are identified as "dockets". Dockets are numbered functionally to denote the type of proceeding, the year of its initiation and its numerical sequence in that year. "R" designates a regulatory docket, "P" a pipeline case, and "U" a utility proceeding. For example, P-94-3 is the third pipeline docket opened by the Commission in fiscal year 1994. The materials, legal pleadings and decisions relevant to each case are identified by this number and filed in the docket. After a case is decided and any necessary costs are allocated, the docket is closed.

Figure 17 shows the change in the number of cases pending at the end of FY01. The Commission opened 172 new dockets in FY01, a 16% increase from FY00. This led to a 21.28% decrease in dockets pending at the end of FY01.

**Figure 17**  
**Change in caseload FY98-FY01**

	FY98	FY99	FY00	FY01
Pending cases beginning of year	375	559	532	531
New dockets opened	266	171	205	172
Dockets closed	82	198	206	285
Pending cases end of year	559	532	531	418
<b>Percent change in pending caseload at end of FY</b>	<b>+49.1%</b>	<b>-0.05%<sup>1</sup></b>	<b>-0.01%</b>	<b>-21.28%</b>



**Administrative Clerks Carolyn Wright and Merry Johnson; Administrative Supervisor Joyce McGowan (all seated); Administrative Clerks Charlene Ihly, Brian Beard and Wanda Bentley**

<sup>1</sup>FY99 Percent change in pending caseload at the end of FY should have been listed as -0.05%.

## Summary of filings

A substantial part of the mission of the RCA is to handle and process filings and complaints. Figure 18 summarizes the filings handled by the RCA by type of utility over the past year and illustrates the distribution of the Commission's workload.

The table does not include Commission obligations arising from government actions or from initiatives taken by the Commission. These activities are equally important to fulfill the RCA's regulatory responsibilities.

**Figure 18**  
**Summary of filings by type of entity**

	Tariff filings	Formal proceedings	Informal complaints	Applications
Generic <sup>1</sup>	0	3	0	0
Steam Heat	3	0	0	0
Water	21	6	13	6
Pipeline	62	6	0	7
Cable Television	1	0	3	3
Electric	172	13	78	7
Refuse (garbage)	30	1	14	3
Gas	11	2	22	1
Sewer (wastewater)	11	2	4	4
Telecommunications <sup>2</sup>	265	66	548	42
Cellular	0	0	0	0
<b>Total</b>	<b>576</b>	<b>99</b>	<b>682</b>	<b>73</b>

<sup>1</sup>This act involved more than one type of utility.

<sup>2</sup>This number represents 133 filings made by Local Exchange Carriers and 132 filings made by Interexchange Telecommunications Carriers.

## Appeals and other court proceedings pending during FY01

This report includes administrative appeals and other court proceedings during FY2001. Some of the appeals are from orders of the Alaska Public Utilities Commission (APUC). The legislature provided in Section 29, Chapter 25, 1999 SLA that litigation and other proceedings in connection with functions transferred to the Regulatory Commission of Alaska from the former APUC "may be completed notwithstanding a transfer or repeal" provided in the Act establishing the RCA.

### Pipelines

#### **Tesoro Alaska Company v. APUC Superior Court No. 3AN-00-3699 CI.**

Dismissed in Alaska Superior Court — Tesoro appealed an order of the APUC that held certain pipeline filings confidential under AS 42.06.445(c). The appeal was dismissed on September 5, 2000.

### Telecommunications

#### **ACS of Fairbanks, Inc. et al. v. GCI Communication Corp. & RCA. Case No. 01-35344 and Case No. 01-35375.**

Pending in the 9th Circuit Court of Appeals — These consolidated appeals arose from ACS' original action in federal court seeking injunctive and declaratory relief from the RCA decisions approving the results of arbitration in GCI's request for interconnection under the Telecom Act of 1996. The issue in Case No. 01-35344 is whether, by conducting interconnection proceedings under the Telecom Act, the RCA has waived the state's 11th amendment immunity from suit in federal court. In the cross-appeal, Case No. 01-35375, ACS appealed the District court's grant of a stay of the entire action pending the 9th Circuit's decision on the 11th amendment issue.

ACS also filed for the same injunctive and declarative relief in the Alaska Superior Court.

#### **ACS Long Distance, Inc. v. RCA. Superior Court No. 3AN-00-3757 CI and 3AN-00-3758 CI.**

Dismissed in the Alaska Superior Court — ACS appealed to the superior court from the RCA's order imposing conditions on the infinite minutes service proposed by ACS, but later stipulated to dismiss the appeal.

#### **Telephone Utilities of Alaska, Inc. et al. v. RCA. Superior Court No. 3AN-99-3494 CI and 3AN-99-3499 CI.**

Pending in Alaska Superior Court — The local exchange companies now known as the ACS companies appealed from the RCA order terminating the rural exemption under the Telecom Act of 1996. After the Eighth Circuit Court of Appeals issued its *Iowa Utilities Board II* decision, the ACS companies moved for a stay of the RCA order. The superior court denied the motion for a stay, and the Alaska Supreme Court rejected a petition for review. The superior court also denied ACS' motion to vacate the RCA decision. Briefing is complete and the case is waiting for the court's decision on the main issue.

**Appeals and other court proceedings  
pending during FY01 (continued)**

**GTE Communications Corporation v. RCA.  
Superior Court No. 3AN-00-3733 CI.**

Pending in Alaska Superior Court — GTE appealed from the RCA's order denying GTE's petitions to grant confidential status to its financial statements filed in compliance with AS 42.05.451(b). Briefing was underway at the end of FY 2001.

**Alaska Exchange Carriers Association v. RCA.  
Superior Court No. 3AN-00-3714 CI.**

Pending in Alaska Superior Court — AECA filed a proposed tariff revision that would change the procedure for modifying the first point of switching. After written comments from parties supporting or opposing the proposed tariff revision, the RCA rejected it without holding an evidentiary hearing. AECA and ACS appealed the order, contending that the RCA could not deny the tariff revision without holding an evidentiary hearing. Briefing was underway at the end of FY 2001.

**Electric**

**Tlingit-Haida Regional Electrical Authority v. APUC.  
Supreme Court No. S-8833, S-8834 and S-8843.  
(decided January 12, 2001)**

Decided by the Alaska Supreme Court — The court affirmed the APUC decision to decertify Tlingit-Haida Regional Electrical Authority (T-HREA) in Klawock to eliminate the overlap of its service area. The court also held that modification of a certificate is a taking, but that compensation is due only for stranded plant, not for any expectation of future profits from the certificate. The court also rejected arguments that federal law preempted the APUC order and that the Rural Utility Service was an indispensable party to the action.

**Chugach Electric Association, Inc. v. RCA.  
Supreme Court No. S-09692.**

Pending in the Alaska Supreme Court — In 1997, Chugach attempted to arrange power sales contracts with customers in the exclusive service territory of Municipal Light and Power Department (ML&P). ML&P filed a complaint with the APUC. After briefing, the APUC issued an order prohibiting Chugach Electric Association, Inc. (Chugach) from selling power to customers in ML&P's service territory without obtaining a certificate for that service. Chugach appealed to the superior court, which affirmed the APUC order.

In the Supreme Court, briefing has been completed, and the case awaits oral argument.

**Matanuska Electric Association, Inc. v. Chugach Electric Association, Inc.  
Supreme Court No. S-09839.**

Pending in the Alaska Supreme Court — In 1997, Matanuska Electric Association, Inc. (MEA) complained that the cost of power adjustment (COPA) for wholesale power it purchased from Chugach was unjust and unreasonable because Chugach used an excessive line loss factor in the computation. The APUC issued Order U-97-36(13), which required Chugach to recalculate the COPA balancing account for 1995 through 1997 and refund the excessive charges to its wholesale customers. On July 27, 2000, the Superior Court reversed the APUC decision.

MEA appealed to the Alaska Supreme Court. At the end of FY 2001, MEA and Chugach had completed their briefs. The RCA then requested the court's permission to file an amicus curiae brief.

## Appeals and other court proceedings pending during FY01 (continued)

### **Matanuska Electric Association, Inc. v. Chugach Electric Association, Inc. Supreme Court No. S-10080.**

Pending in the Alaska Supreme Court — Chugach initiated a lawsuit against MEA to collect a tariffed charge for Marathon tax liability approved by the RCA. MEA moved for summary judgment, asserting that the Commission did not have jurisdiction over the issue, and that the tariff was unenforceable because of provisions in the power sales agreement between Chugach and MEA. The RCA filed a brief arguing that it had jurisdiction and that the tariff was valid. On December 13, 2000, the Superior Court issued a decision finding that the RCA had jurisdiction and upholding the RCA's decision to approve the tariffs containing the tax liability. Briefing in the Supreme Court was underway at the end of FY 2001.

### **Matanuska Electric Association, Inc. v. RCA. Case No. 3PA-00-453 CI.**

Dismissed in the Alaska Superior Court — In May 2000, MEA filed both an appeal and a petition for review from an order of the RCA that granted a petition for intervention by three MEA ratepayers in Docket U-99-130. On August 28, 2000, the Superior Court issued an order dismissing the appeal and denying the petition for review.

### **Chugach Electric Association, Inc. v. RCA. Superior Court Case No. 3AN-01-8288 CI.**

Pending in the Alaska Superior Court — After ML&P filed an application to provide electric service to a non-military customer located on Fort Richardson Army Post, the RCA ruled that ML&P should list its on-base customers in its tariff rather than in the service area description in its certificate. ML&P petitioned for reconsideration and Chugach sought to intervene. After extensive briefing, the RCA determined that it would continue to follow the past practice of listing ML&P's on-base customers in the service area description of its certificate. Chugach appealed this decision to the Superior Court. At the end of FY 2001, the record was being prepared.



Assistant Attorney General Virginia Rusch

## Legal authority

### Statutes

Created in 1959, the Alaska Public Utilities Commission has, since 1970, been a full-time administrative agency under the Alaska Public Utilities Act (AS 42.05) charged with the duty of regulating public utilities within the state. The jurisdiction of the Commission extends to electric, gas, refuse (garbage), sewer (wastewater), steam, telecommunications (cable television, interexchange, and local exchange service), and water public utilities as defined by the Act. In 1981 the Legislature amended the Alaska Pipeline Commission Act (AS 42.06) to merge the Alaska Pipeline Commission into the Alaska Public Utilities Commission, and the Commission's jurisdiction was extended to pipeline carriers and pipelines. In 1999, the legislature reorganized and renamed the Commission the Regulatory Commission of Alaska (RCA).

The Commission is comprised of five commissioners appointed by the Governor and confirmed by the Legislature for six-year terms of office. The Commission is authorized to employ additional personnel to assist in the performance of its duties.

The Commission is responsible for making or requiring just, fair, and reasonable rates, classifications, regulations, practices, services, and facilities for public utilities and pipeline carriers. The Commission has the authority to investigate, hold hearings, prescribe systems of accounts, require the filing of reports, adopt regulations, and take other lawful actions necessary to accomplish the stated purposes of AS 42.05 and AS 42.06. The Commission also determines the eligibility of electric utilities for power cost equalization and the kilowatt-hour subsidy amount under the provisions of AS 42.45.100 - 42.45.190. The Commission is also authorized under AS 31.15.010 - 31.15.050 to determine if there has been unjust and unreasonable discrimination in the purchase of oil offered for purchase within Alaska.

Under AS 42.05.221, a public utility<sup>1</sup> providing service to customers for compensation is required to obtain a certificate of public convenience and necessity<sup>2</sup> from the Commission. A certificate describes the nature and extent of authority granted to a public utility, including a description of the authorized service area and the scope of operations of the utility. Under AS 42.05.241, a certificate may not be issued unless the Commission finds that the service is required for the convenience and necessity of the public and that the applicant is fit, willing and able to provide the utility service requested. Similarly, pipeline carriers subject to the Commission's jurisdiction must secure a certificate of public convenience and necessity.

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<sup>1</sup> The terms "public" and "public utility" are defined in AS 42.05.990(3) and (4), respectively. Generally, a public utility is one that provides utility service for compensation to ten or more customers or that sells wholesale service to a utility that serves ten or more customers.

<sup>2</sup> Electric and telephone utilities grossing less than \$50,000 are not required to be certificated unless their customers petition the Commission for regulation under AS 42.05.712(h). AS 42.05.711 (e).

## Legal authority (continued)

A number of certificated utilities are statutorily exempt from economic regulation<sup>3</sup> by the Commission, including:

- (1) public utilities owned and operated by a political subdivision of the state, none of whose utilities is in competition with any other utility, unless the political subdivision elects to be regulated by the Commission (AS 42.05.711(b))<sup>4</sup>;
- (2) refuse utilities with annual gross revenues of \$300,000 or less, unless the subscribers of the utility petition the Commission for regulation under AS 42.05.712(h) or customers paying 25 percent of a utility's gross revenues have petitioned the Commission for regulation (AS 42.05.711(i));
- (3) cable television utilities, unless the customers petition the Commission under AS 42.05.712(h) for regulation (AS 42.05.711(k)); and
- (4) electric and telephone utilities with gross revenues of less than \$50,000 are exempt from both certification requirements and economic regulation, unless 25 percent of their customers petition for regulation under AS 42.05.712(h).

AS 42.05.711 also specifies other utilities that may, under terms specified in AS 42.05.712, elect to become economically deregulated by the Commission.

The Commission is authorized under AS 42.05.711(d) to exempt a utility from all or a portion of AS 42.05 if such an exemption is in the public interest. Under this provision, the Commission has exempted a number of small utilities from ratemaking regulation. Competition in refuse collection services has also been introduced in a number of areas.



Hearing Examiner Paul Olson



Paralegals Ann Wilde and  
Mary Margaret Bingham;  
Administrative Clerk  
Denise Anderson (seated)

<sup>3</sup>"Economic regulation" (defined in 3 AAC 48.820(43)) means that the Commission's jurisdiction extends to matters concerning rates and charges for public utility or pipeline carrier services, quality of service provided by a utility or pipeline carrier to its customers or shippers, management practices of a utility or pipeline carrier, and customer or shipper complaints concerning the services furnished by a utility or pipeline carrier.

<sup>4</sup>The utilities of the Municipality of Anchorage are the only utilities operated by a political subdivision that are currently subject to economic regulation by the Commission.

## **Legal authority (continued)**

### **Regulations**

As authorized under AS 42.05.151 and other statutory provisions, the Commission has adopted regulations to carry out its statutory duties. The Commission's regulations are set out in the Alaska Administrative Code at Title 3, Part 5, Chapter 47 (Regulatory Cost Charge); Chapter 48 (Practice and Procedure); Chapter 49 (Deregulation); Chapter 50 (Energy Conservation); Chapter 51 (Telecommunications Relay Service); Chapter 52 (Operation of Public Utilities); and Chapter 53 (Telecommunications).



**Administrative Clerk Lawrence Gaines; Chief Engineer Paul Morrison; and Utility Engineer Analyst James Keen (seated)**

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**Fiscal Year 2001**



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Regulatory Commission of Alaska

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## List of Certificated Entities

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Prepared by James Keen

Acronym	Company Name
AAE	ALL ALASKA ENTERPRISES MIKE DOWNS d/b/a
AAI	ARCO ALASKA, INC.
ACC	ALYESKA CABLE COMPANY
ACCI	ALASKA CALL CONNECTION, INC.
ACES	ALLAKAKET CITY ENERGY SYSTEMS CITY OF ALLAKAKET d/b/a
ACI	ALEUTIAN CABLEVISION, INC.
ACME	ACME DISPOSAL SERVICE
ACNI	ALASKAN CABLE NETWORK, INC.
ACS	ALASKA COMMUNICATIONS SYSTEM, INC.
ACS-AK	ACS OF ALASKA, INC. d/b/a ALASKA COMMUNICATIONS SYSTEMS, ACS LOCAL SERVICE, & ACS
ACS-AN	ACS OF ANCHORAGE, INC. d/b/a ALASKA COMMUNICATIONS SYSTEMS, ACS LOCAL SERVICE, & ACS
ACS-F	ACS OF FAIRBANKS, INC. d/b/a ALASKA COMMUNICATIONS SYSTEMS, ACS LOCAL SERVICE, & ACS
ACS-LD	ACS LONG DISTANCE, d/b/a ALASKA COMMUNICATIONS SYSTEMS, ACS LONG DISTANCE, & ACS
ACS-N	ACS OF THE NORTHLAND, INC. d/b/a ALASKA COMMUNICATIONS SYSTEMS, ACS LOCAL SERVICE, & ACS
ACTI	ANCHORAGE CABLE TELEVISION, INC.
ACV	ADAK CABLEVISION
ACVI	ALASKA CABLEVISION, INC. GCI CABLE, INC., d/b/a
ADS	ANIAK DISPOSAL SERVICE RONALD N. CHOATE d/b/a
AEC	ANDREANOF ELECTRIC CORP.
AECA	ALASKA EXCHANGE CARRIERS ASSOCIATION, INC.
AEEC	ALASKA EDISON ELECTRIC CORPORATION
AEG&T	ALASKA ELECTRIC GENERATION & TRANSMISSION COOPERATIVE, INC.
AEL&P	ALASKA ELECTRIC LIGHT & POWER COMPANY
AERC	ALASKA ENERGY AND RESOURCES COMPANY

AETI	AMERICAN EXPRESS TELECOM, INC.
AFS	ALASKA FIBER STAR, LLC
AHBI	ALASKA HOTEL & BAR, INC.
AIC	ALASKA INTERSTATE COMPANY
AIDEA	ALASKA INDUSTRIAL DEVELOPMENT & EXPORT AUTHORITY
AIGC	ALASKA INTRASTATE GAS COMPANY
AIS	ALASKA INDOOR SPORTS MCBRIDES/WINNERS/ATHLETES FOOT/PLAZA SHOES d/b/a
AJU	ATMAUTLUAK JOINT UTILITIES
AKHIOK	AKHIOK, CITY OF
AKIACHUK	AKIACHUK LIMITED
AKIAK	AKIAK, CITY OF
AKNS	ALASKA NETWORK SYSTEMS, INC.
AKPAY	ALASKA PAYTEL
AKTEL-CARD	ALASKA TEL-CARD
AKUSA	ALASKA USA FEDERAL CREDIT UNION
AKUTAN	AKUTAN, CITY OF
ALASCOM	ALASCOM, INC., AT&T ALASCOM d/b/a
ALASCONNEC	ALASCONNECT, INC.
ALASKA PAY	ALASKA PAYPHONE
ALASKA PRO	ALASKA PRODUCTS AND SERVICES
ALLAKAKET	ALLAKAKET CITY ENERGY CITY OF ALLAKAKET d/b/a
ALMA	ALMA CORPORATION
ALPAT	ALPAT WATER UTILITY COMPANY
ALPC	ANIAK LIGHT AND POWER COMPANY, INC.
ALPINE	ALPINE COMMUNICATIONS AND ELECTRONICS, INC.
ALUTIIQ	ALUTIIQ POWER COMPANY
ALYESKA	ALYESKA UTILITIES, INC.
AMERADA	AMERADA HESS PIPELINE CORPORATION
AMERICAN	AMERICAN TELECOMMUNICATIONS ENTERPRISES, INC.
AMERITECH	AMERITECH COMMUNICATIONS INTERNATIONAL, INC.
AMERITEL	AMERITEL PAY PHONES, INC.
AMFAC	AMFAC FOODS, INC.
AMOCO	AMOCO PRODUCTION COMPANY
ANCEC	AKIACHAK NATIVE COMMUNITY ELECTRIC COMPANY
ANDERSEN	ANDERSEN, INCORPORATED (div of Waste Management of Alaska, Inc.)
ANDERSON	ANDERSON GARBAGE SERVICE DALE A. ANDERSON d/b/a
ANGC	ANCHORAGE NATURAL GAS CORPORATION
ANHC	ALASKA NATIVE HERITAGE CENTER, INC.

AP&T	ALASKA POWER & TELEPHONE COMPANY
AP&T-LD	AP&T LONG DISTANCE, INC.
APC	ALASKA POWER COMPANY
APCO	ALEUTIAN POWER COMPANY
APLC	ALASKA PIPELINE COMPANY
APSC	ALYESKA PIPELINE SERVICE COMPANY
APSI	ARCTIC PROFESSIONAL SERVICES, INC.
APUCO	ALASKA PUBLIC UTILITIES COMPANY
ARCTIC	ARCTIC VILLAGE ELECTRIC COMPANY
ARECA	ALASKA RURAL ELECTRIC COOPERATIVE ASSOCIATION
ARI	ANCHORAGE REFUSE, INC. (div of Waste Management of Alaska, Inc.)
ARROW	ARROW REFUSE, INC. (div of Waste Management of Alaska, Inc.)
AS	AS TELECOMMUNICATIONS, INC.
ASHA	ALASKA STATE HOUSING AUTHORITY
ASRC	ASRC COMMUNICATIONS, LTD.
ASTAC	ARCTIC SLOPE TELEPHONE ASSOCIATION COOPERATIVE, INC.
ASTAC-LD	ASTAC LONG DISTANCE, INC.
ASTC	ARCTIC SLOPE TELECOMMUNICATIONS & CELLULAR, INC.
ASU	ANCHORAGE SEWER UTILITY MUNICIPALITY OF ANCHORAGE d/b/a
AT&T	AMERICAN TELEPHONE & TELEGRAPH
AT&T ALASC	ALASCOM, INC. AT&T ALASCOM d/b/a
ATC	ALASKA TELEPHONE COMPANY (FORMERLY NATIONAL UTILITIES, INC.)
ATC(1)	ALASKA TELEPHONE CORPORATION (ORIGINALLY ATC)
ATI	ALASKA TELECABLE, INC.
ATU	ANCHORAGE TELEPHONE UTILITY MUNICIPALITY OF ANCHORAGE D/B/A
ATU-LD	ATU LONG DISTANCE, INC.
AUI	ARCTIC UTILITIES, INC.
AURORA ENE	AURORA ENERGY, LLC
AUSAC	ALASKA UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
AV	ALASKAN VILLAGE
AVEC	ALASKA VILLAGE ELECTRIC COOPERATIVE, INC.
AVI	ALASKAVISION, INC.
AWS	ATKIN WATER SYSTEM JACK R. NEILSEN d/b/a
AWT	ALASKA WASTE TRANSFER
AWU	ANCHORAGE WATER UTILITY MUNICIPALITY OF ANCHORAGE d/b/a
AWWU	ANCHORAGE WATER AND WASTEWATER UTILITY MUNICIPALITY OF ANCHORAGE d/b/a

B-C CABLE	ALASKAN CABLE NETWORK ALASKAN CABLE NETWORK/JUNEAU d/b/a
BARTLETT	Robert E. Bartlett d/b/a Bartlett Industries
BBCP	BRISTOL BAY CELLULAR PARTNERSHIP
BBL	BBL HYDRO, INC.
BBTC	BRISTOL BAY TELEPHONE COOPERATIVE, INC.
BCI	BAY CABLEVISION, INC.
BCV	BETHEL CABLEVISION, INC.
BEAVER	BEAVER VILLAGE ELECTRICAL UTILITY
BELUGA	BELUGA PIPE LINE COMPANY
BENNETT	BENNETT WATER UTILITY JOHN G. BENNETT d/b/a
BESI	BELUGA ENVIRONMENTAL SERVICES, INC.
BETHEL	BETHEL, CITY OF
BIRCH	BIRCH CREEK UTILITIES
BL&P	BETTLES LIGHT & POWER, INC.
BOB'S	BOBBIE C. PATE d/b/a BOB'S DISPOSAL SERVICE
BP	BP PIPELINES (ALASKA) INC.
BP&L	BETHEL POWER & LIGHT, INC.
BPTA	BP TRANSPORTATION (ALASKA) INC.
BREVIG	BREVIG MISSION UTILITY CITY OF BREVIG MISSION d/b/a
BRUCE	BRUCE ANDERSON
BSFU	BERING SEA FISHERMAN'S UNION
BSLD	BELLSOUTH LONG DISTANCE, INC.
BT	BUSINESS TELECOM, INC.
BTI	BETTLES TELEPHONE, INC.
BUCI	BETHEL UTILITIES CORPORATION, INC.
BUCKLAND	BUCKLAND, CITY OF
BUECI	BARROW UTILITIES AND ELECTRIC COOPERATIVE, INC.
BUI	BARROW UTILITIES, INC.
BUSH-TELL	BUSH-TELL INCORPORATED
C & S	C & S - CLEANAWAY, INC. d/b/a
C&W CARD	CABLE AND WIRELESS GLOBAL CARD SERVICE
CABLE CO.	CABLE COMPANY, THE
CAP	AT&T WIRELESS SERVICES CELLULAR ALASKA PARTNERSHIP d/b/a
CARVER	BURTON CARVER & CO., INC.
CAU	CENTRAL ALASKA UTILITIES, INC.
CBE	CHENEGA BAY ELECTRICAL
CBSS	COPPER BASIN SANITATION SERVICE COMPANY
CCS	CORDOVA CABLE SYSTEM

CCU	CIRCLE CITY UTILITIES WILLIAM A. STRACK d/b/a
CCUA	COFFMAN COVE UTILITIES ASSOCIATION, INC. ALASKA POWER COMPANY
CCV	ROBERT F. BECKER AND WILLIAM H. ARMOUR D/B/A CAPITAL CABLE VISION
CCWSS	CRYSTAL CATHEDERALS WATER & SEWER SYSTEM, INC.
CECI	CORDOVA ELECTRIC COOPERATIVE, INC.
CEI	CHITINA ELECTRIC, INC.
CENTRAL	CENTRAL ELECTRIC, INC.
CENTURY	CENTURY THEATRES, INC.
CES	COLVILLE ENVIRONMENTAL SERVICES
CESI	COMMUNICATION EQUIPMENT SERVICE, INC.
CGNI	COMMUNICATIONS GATEWAY NETWORK, INC.
CHALKYITSI	CHALKYITSIK VILLAGE ENERGY SYSTEM
CHANNEL	CHANNEL SANITATION CORPORATION
CHEFORNAK	CHEFORNAK ELECTRIC COMPANY (SEE NATERKAQ LIGHT PLANT)
CHENEGA	CHENEGA BAY VILLAGE COUNCIL
CHERRY	CHERRY COMMUNICATIONS
CHIGNIK	CHIGNIK, CITY OF
CHITINA	CHITINA ELECTRIC, INC.
CHUGACH	CHUGACH ELECTRIC ASSOCIATION, INC.
CIPL	COOK INLET PIPE LINE COMPANY
CIR	COOK INLET REFUSE, INC.
CIRCLE	CIRCLE ELECTRIC, RICHARD HUTCHINSON, d/b/a
CITY	EGEGIK, CITY OF
CLEU	CHIGNIK LAKE ELECTRIC UTILITY, INC.
COFFMAN CO	COFFMAN COVE, CITY OF
COM/NAV	COM/NAV MARINE, INC.
CONVERGENT	CONVERGENT COMMUNICATIONS SERVICES, LLC
COOKE	COOKE CABLEVISION, INC.
CORDOVA	CORDOVA, CITY OF
CPEU	CLARKS POINT ELECTRIC UTILITY
CRAIG	CRAIG, CITY OF
CRI	COMMERCIAL REFUSE, INC.
CROSSROADS	CROSSROADS LOUNGE, D/B/A DONALD P. SKEWIS
CSC	COMMUNICATIONS SATELLITE CORPORATION
CT	CIRCLE TELEPHONE, RICHARD HUTCHINSON d/b/a
CTCI	CORDOVA TELEPHONE COOPERATIVE, INC.
CTP	CHISTOCHINA TRADING POST (TRANSFERRED TO AP&T)

CTS	CERMAK'S TUNDRA SERVICE GORDON L. CERMAK d/b/a
CTSI	COMDATA TELECOMMUNICATIONS, INC.
CUC	COLLEGE UTILITIES CORPORATION
CUI	CHUGIAK UTILITIES, INC.
CVCC	COPPER VALLEY CONSTRUCTION COMPANY
CVEA	COPPER VALLEY ELECTRIC ASSOCIATION, INC.
CVLD	COPPER VALLEY LONG DISTANCE, INC.
CVTC	COPPER VALLEY TELEPHONE COOPERATIVE, INC.
CWI	CABLE & WIRELESS, INC.
DAWN	DAWN DEVELOPMENT CORPORATION
DCI	DANLOR COMMUNICATIONS, INC.
DCM	DENALI COMMERCIAL MANAGEMENT INC
DCS	DENALI CLEANING SERVICE
DELTA	DELTA SANITATION JOSEPH E. PETERS d/b/a
DELTACOM	ITC^DELTACOM COMMUNICATIONS, INC.
DENALI	DENALI FUEL COMPANY, INC.
DESI	DIESEL ELECTRIC SERVICE, INC.
DILLINGHAM	DILLINGHAM, CITY OF
DIOMEDE	DIOMEDE JOINT UTILITIES
DNFC	DAY AND NIGHT FUEL CO., INC.
DNT	DNT REFUSE, INC.
DoE	DIVISION OF ENERGY DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
DOW	DOW INTERNATIONAL
DR	DAWN REFUSE DORAN R. LEE d/b/a
DRI	DILLINGHAM REFUSE, INC.
DSLNET	DSLNET COMMUNICATIONS, LLC
EAGLE	EAGLE UTILITIES, INC.
EASTFORK	EASTFORK, LLC
EC	ENDICOTT CORPORATION
EDDI	ELECTRONIC DESIGN & DEVELOPMENT, INC.
EKWOK	EKWOK, CITY OF
ELFIN	ELFIN COVE ELECTRIC
ELI	ELECTRIC LIGHTWAVE, INC.
ENDICOTT	ENDICOTT PIPELINE COMPANY
ENSTAR	ENSTAR NATURAL GAS COMPANY A DIVISION OF SEMCO
EPCI	EAGLE POWER COMPANY, INC. RALPH E. HELMER d/b/a
ERHU	EAGLE RIVER HEIGHTS UTILITIES, INC.
ERU	ERU, INC.