



LAWS OF ALASKA

1973

Source

Chapter No.

FSS-CSSB 6 (Finance) am

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AN ACT

Relating to oil and gas pipelines and the Alaska Pipeline Commission; and providing for an effective date.

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

* Section 1. AS 42.06.240(a) is amended to read:

(a) After January 1, 1974 no pipeline carrier, or person which will be a pipeline carrier upon completion of any proposed construction or extension, shall engage in the transportation of oil or gas by pipeline subject to the jurisdiction of the commission, or undertake the construction or extension of any pipeline facilities for that purpose, or acquire or operate any pipeline facilities or extension, unless there is in force with respect to that pipeline carrier a certificate of public convenience and necessity issued by the commission authorizing those acts or operations. A certificate shall describe the nature and extent of the authority granted in it, including, as appropriate for the services involved, a description of the authorized area and scope of operation of the oil or gas pipeline facility.

* Sec. 2. AS 42.06.240(b) is amended to read:

(b) If any person or predecessor in interest was engaged in transportation of oil or gas by pipeline or construction of an oil or gas pipeline on or before January 1, 1974, the commission shall issue a certificate of public convenience and necessity for that pipeline without hearings or proceedings. For purposes of this section, "construction" includes application for a federal right-of-way permit.

* Sec. 3. AS 42.06 is amended by adding a new section to read:

Sec. 42.06.245. **FEDERALLY REGULATED CARRIERS.** The requirements of this chapter pertaining to permits and certificates of public convenience and necessity do not apply to the construction of a pipeline facility exclusively subject to the jurisdiction of the Interstate Commerce Act or the Natural Gas Act or to the interstate portion of the business of a pipeline or pipeline carrier exclusively subject to the jurisdiction of the Interstate Commerce Act or the Natural Gas Act; however, the requirements of this chapter for permits and certificates of public convenience and necessity do apply to all the intrastate portion of the business of a pipeline or pipeline carrier subject to the Interstate Commerce Act and the Natural Gas Act whenever they engage in intrastate commerce; provided, however, nothing limits the powers of the commission set out in this chapter except to the extent they are preempted by the Interstate Commerce Act or the Natural Gas Act.

* Sec. 4. AS 42.06.280 is repealed and re-enacted to read:

Sec. 42.06.280. **INSURANCE AND SECURITY.** The commission may require any lessee to procure and furnish liability and property damage insurance from a company licensed to do business in the state or furnish other security or undertaking upon the terms and conditions the commissioner considers necessary if the commissioner finds that the net assets of the lessee are insufficient to protect the public from damage for which the lessee may be liable arising out of the construction or operation of the pipeline.

* Sec. 5. AS 42.06.430(6) is amended to read:

(6) For pipelines subject to the Interstate Commerce Act or the Natural Gas Act, the uniform system of accounts and manner of maintaining them and the property records kept and maintained shall, where considered practicable by the commission, be the same as required under regulations prescribed by the applicable federal agency. However, where federal law permits a pipeline carrier to consolidate its reporting for more than one pipeline in which it has an ownership interest, the commission shall require the reports to be made on an individual pipeline basis for any pipeline located wholly or in part in the state.

* Sec. 6. AS 42.06.430 is amended by adding a new paragraph to read:

(8) The commission may require such additional accounts and information as may be necessary.

* Sec. 7. AS 42.06.630(4) is amended to read:

(4) "gas" includes all natural gas and hydrocarbons produced at the wellhead and not defined as oil;

* Sec. 8. AS 42.06.630(8) is amended to read:

(8) "oil" includes crude oil, and other hydrocarbons regardless of gravity which are produced at the wellhead in liquid form, its products and liquid hydrocarbons, including the liquid hydrocarbons known as

distillate or condensate recovered or extracted from gas, other than gas produced in association with oil and commonly known as casinghead gas;

* Sec. 9. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.