



# LAWS OF ALASKA

1976

**Source**

CSHB 679 am

**Chapter No.**

228

**AN ACT**

Relating to the treatment of indebtedness in public utility rate determination.

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

\* Section 1. AS 42.05.441 is amended by adding a new subsection to read:

(c) For rate-making purposes, indebtedness, debt service and payments by a regulated public utility to a person having an ownership interest of more than 70 per cent in the utility shall be considered to be ownership equity, profits or dividends except to the extent that there is a clear and convincing showing that

(1) the indebtedness was incurred, or the payments made, for goods or services which were reasonably necessary for the operation of the utility; and

(2) the goods or services were provided at a cost which was competitive with the price at which they could have been obtained from a person having no ownership interest.