



LAWS OF ALASKA

1977

Source

SCS CSHB 248

Chapter No.

35

AN ACT

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

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

* Section 1. AS 42.06.140(4) is amended to read:

(4) may require pipeline carriers and affiliated interests to file with the commission reports and other information and data required or permitted to be required by other provisions of this chapter;

* Sec. 2. AS 42.06.140(8) is amended to read:

(8) shall require permits for the construction, enlargement in size or operating capacity, extension, connection and interconnection, operation or abandonment of any oil or gas pipeline facility or facilities, subject to necessary and reasonable terms, conditions and limitations;

* Sec. 3. AS 42.06.140(10) is amended to read:

(10) shall provide all reasonable assistance to the Department of Law in intervening in, offering evidence in, and participating in proceedings involving a pipeline carrier or affiliated interest and affecting the interests of the state, before an officer, department, board, commission or court of another state or the United States.

* Sec. 4. AS 42.06.305 is amended to read:

Sec. 42.06.305. TRANSFER OF OPERATING AUTHORITY. Operating authority may not be transferred by sale or lease of the certificate or by the sale of substantially all of the stock or assets of a pipeline carrier holding a

certificate without the prior approval of the commission. A transfer not involving a substantial change in ownership shall be summarily approved.

* Sec. 5. AS 42.06.390 is repealed and re-enacted to read:

Sec. 42.06.390. INITIAL OR REVISED RATES. (a) No pipeline carrier may establish or place in effect any initial rates, charges, rules, regulations, conditions of service or practices except after 90 days notice to the commission and to the public. Notice shall be given by filing with the commission and keeping open for public inspection the tariff provisions which shall plainly indicate the time when the tariff will go into effect. The commission may prescribe additional means of giving notice. The commission, for good cause shown, may allow initial tariffs to take effect on less than 90 days notice under conditions the commission prescribes by order.

(b) No pipeline carrier may establish or place in effect any revised rates, charges, rules, regulations, conditions of service or practices except after 30 days notice to the commission and to the public. Notice shall be given by filing with the commission and keeping open for public inspection the revised tariff provisions which shall plainly indicate the changes to be made in the schedules then in force and the time when the changes will go into effect. The commission may prescribe additional means of giving notice. The commission, for good cause shown, may allow changes to take effect on less than 30 days notice under conditions the commission prescribes by order.

(c) Initial and revised tariffs shall be filed in the manner provided in sec. 350 of this chapter.

* Sec. 6. AS 42.06.400(a) and (b) are amended to read:

(a) When a tariff filing is made containing an initial or revised rate, classification, rule, regulation, practice, or condition of service the commission may, either upon written complaint or upon its own motion, after reasonable notice, conduct a hearing to determine the reasonableness and propriety of the filing. Pending a hearing the commission may, by order stating the reasons for its action, suspend the operation of the tariff filing for an initial period not longer than six months beyond the time when it would otherwise go into effect. If good cause is shown, the commission may suspend the operation of the tariff filing for an additional period not to exceed one year following the end of the initial suspension period.

(b) An order suspending a tariff filing may be vacated if, after investigation, the commission finds that it is in all respects proper. Otherwise the commission shall hold a hearing on the suspended filing and issue its order, before the end of the suspension period, granting, denying or modifying the suspended tariff in whole or in part. If an initial tariff is suspended, the commission shall establish a reasonable temporary tariff. The commission shall allow the collection of the filed tariff but

shall require the pipeline carrier to place the revenue representing the difference between the filed tariff and the temporary tariff in escrow in a financial institution approved by the commission, and keep accurate accounts of all amounts received, specifying by whom and in whose behalf the amounts are paid. At the end or vacation of the suspension period the amount owing to the pipeline carrier from the difference between the temporary tariff and the permanent tariff shall be paid to the pipeline carrier. The surplus, if any, shall be refunded to the persons in whose behalf the amounts were paid into escrow. No funds may be released from escrow without the commission's prior written consent and instructions to the escrow agent. The pipeline carrier, at its expense, may substitute a bond in lieu of the escrow requirement.

- * Sec. 7. AS 42.06.430(3) is amended to read:

(3) The commission may by regulation require a pipeline carrier or affiliated interest engaged in activities relating to pipelines to establish and maintain as part of its system of accounts continuing property records showing, as to property units which are actually being used in pipeline activity in this state, the year of placement in service, original cost and current location, and, as to a pipeline system, accounts and records in a manner showing, on a current basis, the original cost of the system in the state and related reserves for depreciation. From time to time the commission shall determine the proper and adequate rates of depreciation for each major class of property of an oil or gas pipeline facility.

- * Sec. 8. AS 42.06.440 is amended to read:

Sec. 42.06.440. INSPECTION OF RECORDS. Subject to AS 31.05.035(c), the commission shall at all reasonable times have access to, and may designate any of its employees, agents or consultants to inspect and examine, the accounts, records, books, maps, inventories, appraisals, valuations, or other reports and documents, kept by an oil or gas pipeline carrier or its affiliated interests, or prepared or kept for it by others, which relate to any contract or transaction between them. The commission may require an oil or gas pipeline carrier or its affiliated interest to file with the commission copies of any or all of these accounts, records, books, maps, inventories, appraisals, valuations, or other reports and documents, or to maintain those materials at some convenient location in the state specified by order. Costs incurred in complying with a commission request to review the records referred to in this section or to maintain these records in such a manner as to make them conveniently available for the commission's review shall be borne by the party controlling the records.

- * Sec. 9. AS 42.06.450 is repealed and re-enacted to read:

Sec. 42.06.450. INVESTIGATIONS. The commission may investigate any matter which affects the cost or quality of transportation of oil or gas in this state by pipeline carriers or affiliated interests or of related services and may ensure compliance by pipeline carriers and their

affiliated interests with the provisions of this chapter. Investigations may be public, nonpublic, or both. In conducting investigations, the commission may compel the attendance and testimony of witnesses and the production of records and testimony before the commission or its designee. In the course of an investigation, the commission may exclude from attendance at the taking of investigative testimony all persons except the person compelled to attend, his attorney, members of the commission or the commission's staff, and a person authorized to transcribe the proceedings. Following an investigation and after providing reasonable notice and opportunity for hearing, the commission may institute proceedings to determine whether unreasonable practices have occurred, whether expenditures have been imprudently incurred, the costs of those practices or expenditures, and whether a pipeline carrier and its affiliated interests are in compliance with this chapter. Following such a determination, the commission shall take appropriate action to ensure that neither the direct nor indirect costs of any unreasonable practices or imprudent expenditures are included in any tariff or rate of a pipeline carrier or are borne by the public or the State of Alaska.

* Sec. 10. AS 42.06.480(b) is amended to read:

(b) If no appeal is taken from a final order of the commission within 10 calendar days, the commission may apply to the superior court for enforcement of this chapter, the regulations adopted under it and the orders of the commission. The court shall enforce the order by injunction or other process.

* Sec. 11. AS 42.06.490(a) is amended to read:

(a) Any person (including a commissioner or employee of the commission) may file a complaint with the commission under AS 44.62.360 alleging that a rate, price, service, practice or action of a pipeline carrier or affiliated interest violates this chapter or regulations adopted under it, or that a pipeline carrier or affiliated interest has not complied with the certificate issued under this chapter.

* Sec. 12. AS 42.06.630(9) is amended to read:

(9) "pipeline" or "pipeline facility" means all the facilities of a total system of pipe (whether owned or operated by a pipeline carrier under a contract, agreement, or lease) in this state used by a pipeline carrier for transportation, for hire and as a common carrier, of oil, gas, coal, or other mineral slurry for delivery, storage, or further transportation, and including all pipe, pump and compressor stations, station equipment, and all other facilities used or necessary for an integral line of pipe to effectuate the transportation from point to point, excluding, however, gas processing plants, treaters and separators;

* Sec. 13. AS 42.06.630(10) is amended to read:

(10) "pipeline carrier" means the owner, including

corporations organized under the laws of the United States or of any state, of any pipeline, as the term is defined in this section, or any interest in it, or any person, including corporations organized under the laws of the United States or of any state, authorized to construct or extend pipeline facilities under sec. 240(a) of this chapter;

* Sec. 14. AS 42.06.630 is amended by adding a new paragraph to read:

(13) "affiliated interest" means any person or other entity

(A) which is controlled or owned, in whole or in part, by a pipeline carrier;

(B) which is controlled or owned, in whole or in part, by an entity which controls or owns, in whole or in part, a pipeline carrier;

(C) which is an agent, employee, contractor, or subcontractor of a pipeline carrier or any entity controlled or owned, in whole or in part, by a pipeline carrier; or

(D) which controls or owns, in whole or in part, a pipeline carrier.

* Sec. 15. This Act is retroactive to July 1, 1976.

* Sec. 16. This Act takes effect immediately in accordance with AS 01.10.070(c).