



# LAWS OF ALASKA

1986

**Source**

SCS HB 314 (Fin)

**Chapter No.**

104

**AN ACT**

Relating to the Alaska Public Utilities Commission Act; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 9

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: June 6, 1986  
Actual Effective Date: June 7, 1986

AN ACT

Relating to the Alaska Public Utilities Commission Act;  
and providing for an effective date.

\* Section 1. AS 42.05.251 is amended to read:

Sec. 42.05.251. USE OF STREETS IN CITIES AND BOROUGHs. Public utilities have the right to a permit to use public streets, alleys, and other public ways of a municipality [CITY OR BOROUGH, WHETHER HOME RULE OR OTHERWISE,] upon payment of a reasonable permit fee and on reasonable terms and conditions and with reasonable exceptions the municipality [CITY OR BOROUGH] requires. The fee may not exceed the actual cost to the municipality of the utility's use of the public way and of administering the permit program. A dispute as to whether fees, terms, conditions, or exceptions are reasonable shall be decided by the commission. The commission may require a utility to add the amount of any permit fee paid as a pro rata surcharge to its bills for service rendered at locations within the boundaries of any municipality that [CITY OR BOROUGH WHICH] requires payment of a permit fee.

\* Sec. 2. AS 42.05.361(c) is amended to read:

(c) The commission may reject the filing of all or part of a tariff that [WHICH] does not comply with the form or filing regulations of the commission [OR WHICH IS NOT CONSISTENT WITH THIS CHAPTER OR THE REGULATIONS OF THE COMMISSION]. A tariff or provision so rejected is void. If the commission rejects a filing, it shall issue a statement of the reasons for the rejection. Unless the utility and

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1 the commission agree to an extension of time, the commission may not  
2 reject a filing under this subsection after 45 days have elapsed from  
3 the date of filing.

4 \* Sec. 3. AS 42.05.381 is amended by adding a new subsection to read:

5 (e) The commission shall adopt regulations for electric cooperatives  
6 setting a range for adjustment of rates by a simplified rate  
7 filing procedure. A cooperative may apply for permission to adjust  
8 its rates over a period of time under the simplified rate filing  
9 procedure regulations. The commission shall grant the application if  
10 the cooperative satisfies the requirements of the regulations. The  
11 commission may review implementation of the simplified rate filing  
12 procedure at reasonable intervals and may revoke permission to use the  
13 procedure or require modification of the rates to correct an error.

14 \* Sec. 4. AS 42.05.431 is amended to read:

15 Sec. 42.05.431. POWER OF COMMISSION TO FIX RATES. When the  
16 commission, after an investigation and hearing, finds that a rate  
17 demanded, observed, charged or collected by a public utility for a  
18 service, subject to the jurisdiction of the commission, or that a  
19 classification, rule, regulation, practice, or contract affecting the  
20 rate, is unjust, unreasonable, unduly discriminatory or preferential,  
21 the commission shall determine a just and reasonable rate, classifica-  
22 tion, rule, regulation, practice, or contract to be observed or al-  
23 lowed and shall establish it by order. A municipality may covenant  
24 with bond purchasers regarding rates of a municipally owned utility,  
25 and the covenant is valid and enforceable and is considered to be a  
26 contract with the holders from time to time of the bonds. The finan-  
27 cial covenants contained in mortgages and other debt instruments of  
28 cooperative utilities organized under AS 10.25 are also valid and  
29 enforceable, and rates set by the commission must be adequate to meet

1 those covenants. However, a cooperative utility that is negotiating  
2 to enter a mortgage or other debt instrument that provides for a  
3 times-interest-earned ratio (TIER) greater than the ratio the commis-  
4 sion most recently approved for that cooperative shall submit the  
5 mortgage or debt instrument to the commission before the instrument  
6 takes effect. The commission may disapprove the instrument within 60  
7 days after its submission. If the commission has not acted within 60  
8 days, the instrument is considered to be approved.

9 \* Sec. 5. AS 42.05.431 is amended by adding a new subsection to read:

10 (b) A wholesale power agreement between public utilities is sub-  
11 ject to advance approval of the commission. After a wholesale power  
12 agreement is in effect, the commission may not invalidate any purchase  
13 or sale obligation under the agreement. However, if the commission  
14 finds that rates set in accordance with the agreement are not just and  
15 reasonable, the commission may order the parties to negotiate an  
16 amendment to the agreement and if the parties fail to agree, to use  
17 the dispute resolution procedures contained in the contract.

18 \* Sec. 6. AS 44.66.010(4) is amended to read:

19 (4) Alaska Public Utilities Commission (AS 42.05.010) --  
20 June 30, 1989 [1986];

21 \* Sec. 7. The amendments made by secs. 1 - 2 of this Act do not apply  
22 to a proceeding begun before the effective date of this Act.

23 \* Sec. 8. AS 42.05.431(b) enacted by sec. 5 of this Act applies only to  
24 wholesale power agreements entered into on or after the effective date of  
25 this Act.

26 \* Sec. 9. This Act takes effect immediately in accordance with AS 01.-  
27 10.070(c).