

R-15-004 – Regulations Update – Natural Gas, Refuse, and Provisional Water and Wastewater

The following matrix compares existing and proposed regulations for natural gas utilities based on Staff’s analysis and input from the October 29, 2015 technical conference and comments received from ENSTAR and RAPA on January 22, 2016. ENSTAR and RAPA were the only entities that submitted comments on the natural gas regulations. A brief explanation of the proposed changes precedes each table. Staff recommends the proposed changes be issued for public comment.

3 AAC 52.010 – Application

The existing language speaks to the Commission waiving provisions of the ensuing regulation and to the Minimum Federal Safety Standards for Gas Lines. However, Staff notes that a state’s ability to seek waiver of the provisions of the state regulation is guided by either a certificate or agreement process through the Federal Department of Transportation.¹ These processes are not clearly reflected in existing rule. Staff recommends removing this language as it does not enhance the Commission’s authority and it does not appear to comport with the current means of securing such a waiver. There is no record of this provision being exercised since approval of this rule 1969.

3 AAC 52.010 - Existing	3 AAC 52.010 – Proposed on February 12, 2017	Staff Recommendation
(b) Upon acceptable showing by a utility, the commission may waive, as to that utility, the provisions of any regulation in 3 AAC 52.010 - 3 AAC 52.080 or any provision of the Minimum Federal Safety Standards for Gas Lines with approval of the Secretary of Transportation.	(b) Upon acceptable showing by a utility, the commission may waive, as to that utility, the provisions of any regulation in 3 AAC 52.010 - 3 AAC 52.080. [OR ANY PROVISION OF THE MINIMUM FEDERAL SAFETY STANDARDS FOR GAS LINES WITH APPROVAL OF THE SECRETARY OF TRANSPORTATION.]	No revisions to the February 12, 2017 proposal.

3 AAC 52.020 – Compliance with Minimum Federal Safety Standards for Gas Lines

Staff proposes a correction to the existing regulations to make the proper regulatory citation.

¹ See 49 USC 60106. State pipeline safety agreements

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3 AAC 52.020 - Existing	3 AAC 52.020 – Proposed on February 12, 2017	Staff Recommendation
Each utility shall construct and maintain gas transmission and distribution facilities in accordance with the Minimum Federal Safety Standards for Gas Lines, as defined in 3 AAC 52.080(c).	Each utility shall construct and maintain gas transmission and distribution facilities in accordance with the Minimum Federal Safety Standards for gas lines, as defined in 3 AAC 52.080(3) [3 AAC 52.080(c)].	No revisions to the February 12, 2017 proposal.

3 AAC 52.030 – Records, reports, and inspection for compliance.

3 AAC 52.030(b) requires economically regulated natural gas utilities² to file a plan for inspection and maintenance of each pipeline facility owned or operated by the utility, and any changes in the plan.³ The regulation appears to contemplate that the Commission will review the plan and may require the plan to be revised (after a hearing) if it is determined to be inadequate to achieve safe operation.

This regulation was approved by the APUC⁴ in Docket U-72-052 and adopted on June 13, 1973. Within Docket U-72-052, the APUC provided public notice of the draft regulation and then adopted it shortly thereafter with very little explanation in the order as to the origin of the requirement.⁵ Staff believes the origin of the rule is derived from a more expansive adoption of the Natural Gas Safety Act of 1968 adopted on an emergency basis by the APSC⁶ in Docket U-68-003 after receiving notice from the US Secretary of Transportation that Alaska was one of three states that had not yet adopted rules and regulations pertaining to safety in respect to the construction and operation of gas facilities, particularly in respect to the transmission and distribution of natural gas.⁷

In public comments provided to the Commission, ENSTAR stated that the information required by 3 AAC 52.030(b) was provided to the Commission’s predecessor agency in 1968 and that ENSTAR was instructed to keep its procedures and records in an orderly fashion and to expect period, but not necessarily regular visits by official representatives of the Commission to visit and examine the records. No further reports have been filed with the Commission, but this information has been provided to the U.S. DOT Pipeline and Hazardous Materials Safety Administration (PHMSA) and its predecessor agencies over the years. As ENSTAR’s PHMSA filings are public information and available

² The authorities cited for this regulation cite to AS 42.05. Therefore Staff does not believe it is intended to implicate natural gas common carrier pipelines regulated under AS 42.06, which was first enacted in 1972.

³ 3 AAC 52.030(b) Each utility shall file with the commission a plan for inspection and maintenance of each pipeline facility owned or operated by the utility, and any changes in the plan. If the commission finds that the plan is inadequate to achieve safe operation, the commission shall, after notice and opportunity for a hearing, require the plan to be revised.

⁴ The Alaska Public Utilities Commission (APUC) is the predecessor agency to the RCA.

⁵ Order U-72-052(1), *Order Adopting Amendments to Gas Utility Safety Regulations*, released October 2, 1972.

⁶ The Alaska Public Service Commission (APSC) is the predecessor agency to the APUC.

⁷ Order U-68-003, *Order Adopting Gas Safety Rules and Regulations*, released April 26, 1968.

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electronically, requiring ENSTAR to also file with the Commission seems unnecessarily duplicative.⁸ Staff is unaware of any of the five other economically regulated natural gas utilities regulated by the Commission that have submitted plans in accordance with this rule, or updated those plans over time.⁹

Because PHMSA exercises the oversight contemplated by 3 AAC 52.030(b), Staff believes it is duplicative to include this provision in Commission rules and suggests it be repealed.

3 AAC 52.030 - Existing	3 AAC 52.030 – Proposed on February 12, 2017	Staff Recommendation
<p>(a) Each utility shall establish and maintain records, make reports and provide information required by the commission to enable it to determine whether the utility has acted or is acting in compliance with the Natural Gas Pipeline Safety, Act of 1968 and the standards adopted in 3 AAC 52.020. The records, reports and information shall be kept in accordance with AS 42.05.491.</p> <p>(b) Each utility shall file with the commission a plan for inspection and maintenance of each pipeline facility owned or operated by the utility, and any changes in the plan. If the commission finds that the plan is inadequate to achieve safe operation, the commission shall, after notice and opportunity for a hearing, require the plan to be revised.</p>	<p>(a) Each utility shall establish and maintain records, make reports and provide information required by the commission to enable it to determine whether the utility has acted or is acting in compliance with the Natural Gas Pipeline Safety, Act of 1968 and the standards adopted in 3 AAC 52.020. The records, reports and information shall be kept in accordance with AS 42.05.491.</p> <p>3 AAC 52.030(b) is repealed: (b) Repealed __/__/__;</p>	<p>No revisions to the February 12, 2017 proposal.</p>

⁸ Public Comment by Jared Green of ENSTAR Natural Gas Company, filed August 12, 2015, at 2.

⁹ These utilities include: ENSTAR Natural Gas Company; Fairbanks Natural Gas, LLC; Doyon Utilities, LLC; Alaska Pipeline Company; Alaska Intrastate Gas Company; and Norgasco, Inc.

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3 AAC 52.060 – Record of nonscheduled interruptions.

Staff noted during review of the regulations that the citation to AS 42.05.440 is no longer applicable because this statute was repealed in 1970. Prior to repeal, AS 42.05.440 read as follows:

AS 42.05.440. Right to enter premises. The commission, its agents, hearing officers, or examiners may enter the premises occupied by a public utility for the purpose of making the examinations and tests provided in this chapter and may set up and use apparatus and appliances on the premises.

The intention of the 3 AAC 52.060 as adopted in 1970 was to require utility records to be made available for inspection by the Commission or its designee. Staff believes the concept behind AS 42.05.440 was replaced by AS 42.05.501, which was adopted in 1970 and then revised in 2004 to accommodate the rights of the attorney general.

AS 42.05.501. Inspection of books and records.

(a) 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 public utilities or their affiliated interests, or prepared or kept for them by others, that relate to any contract or transaction between them. The commission may require a public utility 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.

(b) When participating as a party under AS 42.04.070(c) or AS 44.23.020(e), the attorney general shall, at all reasonable times, have the right to reasonable access to, and may designate any of the attorney general's employees, agents, or consultants to inspect and examine, the accounts, records, books, maps, inventories, appraisals, valuations, or other reports and documents kept by public utilities that are relevant to the issues presented in any adjudicatory matter before the commission in which the attorney general has appeared as a party under AS 42.04.070(c) or AS 44.23.020(e). This access is subject to reasonable notice to all parties with an opportunity to object before the commission. Included under this subsection is access to records or other documents under the custody or control of an affiliated interest of a public utility that relate to any contract or transaction between the public utility and the affiliated interest.

Staff recommends this regulation be revised to clarify that the gas utility's records are to be maintained and available for inspection in accordance with AS 42.05.501

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3 AAC 52.060 - Existing	3 AAC 52.060 - Proposed	Staff Recommendation
Each gas utility shall keep a record of each nonscheduled interruption to service, showing the location, date, time, duration and cause of each interruption. This record shall be retained by the utility for three years and may be inspected by any person after meeting the requirement of AS 42.05.440.	Each gas utility shall keep a record of each nonscheduled interruption to service, showing the location, date, time, duration and cause of each interruption. This record shall be retained by the utility for three years and <u>shall be made available for inspection in accordance with AS 42.05.501.</u> [MAY BE INSPECTED BY ANY PERSON AFTER MEETING THE REQUIREMENT OF AS 42.05.440.]	No revisions to the February 12, 2017 proposal.

3 AAC 52.070 – Accidents or incidents.

Regarding 3 AAC 52.070(c), which defines the written follow-up that must occur after an accident, Staff was unable to locate the Commission’s “Gas Distribution Pipeline Accident or Incident Report” form on the RCA website, and has not yet been able to locate an electronic or hard copy. The form formerly known as U.S. DOT Form DOT-F-7100.2 was updated most recently in October, 2014 by PHMSA and is a 19-page report for gas transmission and gathering systems now referred to as PHMSA Form F 7100.2.¹⁰ In reviewing past filings by regulated natural gas utilities, Staff notes that ENSTAR Natural Gas Company (ENSTAR) filed a PHMSA Form F 7100.1 (an incident report for gas distribution systems) to report an incident in 2012.¹¹

At the technical conference, the concept of specifying information required by the federal form in the revised rule was discussed, along with allowing the utility to file a federal form with this information included to comply with the rule.¹² The advantage of this approach would be the avoidance of specifying a PHMSA form adopted as of a specific date, when it is likely the form will be updated again in the future, leaving the Commission’s rule somewhat obsolete. While this is attractive, Staff also believes that including specific filing requirements in the rule could also create problems if the federal form changed the filing requirements in a future version so that the federal form would not comply with the requirements of the rule. As the intention of this rulemaking proceeding is largely to streamline filing requirements, Staff believes it is most efficient to refer to the specific federal form that should be filed and do a housekeeping update in the future if a revised reference is required.

Additionally, Staff recommends the adoption of a standard email address and reporting protocol for immediate notification of potential incidents. This will allow a written record to be filed with the Commission that can be easily forwarded to interested persons in the agency and can be included in the utility’s company file. Because a utility would be

¹⁰ The PHMSA forms can be found at: <http://phmsa.dot.gov/pipeline/library/forms>

¹¹ 2012 DOT Incident Report from ENSTAR Natural Gas Company, filed February 10, 2012.

¹² Transcript from Monday, October 26, 2015, at 298-302.

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required to provide immediate notification of a potential incident before being able to verify whether the event actually met the defined threshold of an “incident,” a means for a follow-up email is introduced as subsection (d) to allow a utility to easily notify the Commission if a reported event did not actually meet the threshold of an “incident” after further investigation.

In the technical conference, ENSTAR suggested the Commission identify the individual to be telephonically contacted in regard to incidents on the Commission’s website so that this information can be easily updated and remains publicly available.¹³ Staff concurs that this would be a good internal procedure if this rule is ultimately adopted.

3 AAC 52.070 - Existing	3 AAC 52.070 – Proposed on February 12, 2017	Staff Recommendation
<p>(a) Each utility shall cooperate with the commission to promote a reduction in hazard within the industry and to the public.</p> <p>(b) Each utility shall report each accident immediately by the most expeditious means available, preferably by telephone or in person, to the commission at the commission's office in Anchorage, Alaska, or to a person designated by the commission. The notification shall include the location and time of the accident, a brief description of what occurred, and names of the individual(s) in charge of the repair operation and the individual(s) to be contacted by the commission for additional information.</p>	<p>(a) Each utility shall cooperate with the commission to promote a reduction in hazard within the industry and to the public.</p> <p>(b) Each utility shall report each <u>potential incident within eight hours of initiation of the potential event [ACCIDENT IMMEDIATELY] by emailing the commission at “NGIncidents@alaska.gov” or [THE MOST EXPEDITIOUS MEANS AVAILABLE, PREFERABLY]</u> by telephone or in person, to the commission at the commission's office in Anchorage, Alaska, or to a person designated by the commission. <u>If the potential incident occurs outside of normal business hours, the utility shall provide telephonic or personal notification during the next business day following the potential incident. To the extent the potential incident is not resolved at the time of the initial email, the utility shall continue to provide email notification at least twice each business day thereafter until</u></p>	<p>No revisions to the February 12, 2017 proposal.</p>

¹³ Transcript from Monday, October 26, 2015, 288-289.

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<p>(c) A written report of each accident shall be filed with the commission within 20 days after each accident, in accordance with 3 AAC 48.095. The report shall be made on the commission's "Gas Distribution Pipeline Accident or Incident Report" form or the United States Department of Transportation's Form DOT-F-7100.2 for transmission and gathering systems. If the accident investigation is not completed within the 20-day period, the utility shall file an additional written report with the commission, in accordance with 3 AAC 48.095, upon the completion of the investigation and a written report of the progress of the investigation every 90 days until the investigation is complete.</p>	<p><u>the potential incident is resolved.</u> The notification shall include the location and time of the <u>potential incident</u> [ACCIDENT], a brief description of what occurred, <u>the number of fatalities and personal injuries reported to the utility,</u> and [NAMES OF THE INDIVIDUAL(S) IN CHARGE OF THE REPAIR OPERATION AND] the individual(s) to be contacted by the commission for additional information.</p> <p>(c) <u>If the potential incident reported under (b) is found to meet the threshold of an incident as defined in 3 AAC 52.080(6), a</u> [A] written report of <u>the incident</u> [EACH ACCIDENT] shall be filed with the commission within <u>30 calendar</u> [20] days after <u>the discovery of the incident</u> [EACH ACCIDENT], in accordance with 3 AAC 48.095. The report shall be made on the [COMMISSION'S "GAS DISTRIBUTION PIPELINE ACCIDENT OR INCIDENT REPORT" FORM OR THE] United States Department of Transportation's <u>Pipeline and Hazardous Materials Safety Administration Form PHMSA F 7000.1 for gas distribution systems and Form PHMSA F 7100.2 for gas transmission and gathering systems</u> [FORM DOT-F-7100.2 FOR TRANSMISSION AND GATHERING SYSTEMS]. <u>If additional relevant information is obtained after the report is submitted, the utility shall simultaneously file with the commission, any reports made to the Pipeline and Hazardous Materials Safety Administration.</u> [IF THE ACCIDENT INVESTIGATION IS NOT COMPLETED WITHIN THE 20-DAY PERIOD,</p>	
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	<p>THE UTILITY SHALL FILE AN ADDITIONAL WRITTEN REPORT WITH THE COMMISSION UPON THE COMPLETION OF THE INVESTIGATION AND A WRITTEN REPORT OF THE PROGRESS OF THE INVESTIGATION EVERY 90 DAYS UNTIL THE INVESTIGATION IS COMPLETE.]</p> <p><u>(d) If upon further investigation a potential incident reported in subsection (b) did not meet the threshold of an incident as defined in 3 AAC 52.080(6), the utility shall email the Commission at “NGIncidents@alaska.gov” within 30 calendar days of the initial report and explain how the potential incident fell short of the threshold defined in 3 AAC 52.080(6).</u></p>	
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(NEW) 3 AAC 52.075 – Other general information to be furnished to the commission.

Staff proposes requiring natural gas utilities to publish in its tariff and on its website (if available), the location and telephone number of its business offices, the phone number of emergency contacts, and the normal hours of operation of each office. Staff also recommends the Commission require the filing of an annual summary of reportable incidents, to be included as part of the utility’s annual report to the Commission. Again, Staff recommends requiring the specific federal forms.

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3 AAC 52.075 - Existing	3 AAC 52.075 – Proposed on February 12, 2017	Staff Recommendation
None.	<p>3 AAC 52.075. Other general information to be furnished to the commission.</p> <p>(a) A utility shall publish in its tariff and on its website if available, the location and telephone number of each of its business offices, the phone number of emergency contacts, and the normal hours of operation of each office.</p> <p>(b) A utility shall submit the Department of Transportation Forms RSPA F 7100.1-1 and RSPA F 7100.2-1 as applicable, as a part of the utility’s annual report to the commission under AS 42.05.451.</p> <p>Authority: AS 42.05.141 AS 42.05.151 AS 42.05.291</p>	No revisions to the February 12, 2017 proposal.

3 AAC 52.080 – Definitions

The lead-in language to this regulation should be updated to reflect the addition of 3 AAC 52.075 to this series of rules. Staff recommends repealing the definition of “accident,” which does not comport with the terminology used in PHMSA reporting requirements. The Commission should instead adopt a definition for “incident,” consistent with PHMSA terminology. Staff also recommends the adoption of a definition for “potential incident” as proposed in the revised regulations. The Commission should also update the reference to the PHMSA safety standards in subpart (3), and include a new definition for the term “business hours” to add clarity to the regulations.

3 AAC 52.080 - Existing	3 AAC 52.080 – Proposed on February 12, 2017	Staff Recommendation
<p>Unless the context indicates otherwise, in 3 AAC 52.010 – 3 AAC 52.070</p> <p>(1) “accident” means an accident or incident occurring in the state involving escape of gas from gas gathering, transmission or</p>	<p>Unless the context indicates otherwise, in 3 AAC 52.010 – 3 AAC 52.075 [3 AAC 52.070]</p> <p>(1) Repealed __/__/__;</p>	No revisions to the February 12, 2017 proposal.

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<p>distribution facilities resulting in personal injury requiring hospitalization, fatality, or property damage exceeding \$1,000;</p> <p>(2) “commission” means the Regulatory Commission of Alaska</p> <p>(3) "Minimum Federal Safety Standards for Gas Lines" or "standards" means the Minimum Federal Safety Standards for Transportation of Natural Gas and other gas by pipeline, 49 C.F.R. Part 192, revised as of January 1, 1972. A copy of these standards may be obtained from or reviewed at the commission office located in Anchorage, Alaska; and</p> <p>(4) “utility” means a public utility that owns, operates, manages, or controls a plant or system of facilities used for the transmission or distribution of natural or manufactured gas or other inflammable gas, to the extent that the system, plant or facilities are included in the term “public utility” as defined by AS 42.05.990.</p>	<p>(2) “commission” means the Regulatory Commission of Alaska</p> <p>(3) "Minimum Federal Safety Standards for Gas Lines" or "standards" <u>has the meaning given in 49 C.F.R. Part 192 – “Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards,” revised as of (date to be determined), and adopted by reference;</u> [MEANS THE MINIMUM FEDERAL SAFETY STANDARDS FOR TRANSPORTATION OF NATURAL GAS AND OTHER GAS BY PIPELINE, 49 C.F.R. PART 192, REVISED AS OF JANUARY 1, 1972]. [A COPY OF THESE STANDARDS MAY BE OBTAINED FROM OR REVIEWED AT THE COMMISSION OFFICE LOCATED IN ANCHORAGE, ALASKA]; [AND]</p> <p>(4) “utility” means a public utility that owns, operates, manages, or controls a plant or system of facilities used for the transmission or distribution of natural or manufactured gas or other inflammable gas, to the extent that the system, plant or facilities are included in the term “public utility” as defined by AS 42.05.990; [.]</p> <p><u>(5) “business hours” means from 8:00 a.m. to 5:00 p.m. on a day other than Saturday, Sunday, or a state holiday; and</u></p> <p><u>(6) “incident” has the meaning given in 49 C.F.R. 191.3, revised as of (date to be determined), and adopted by reference.</u></p>	
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	<u>(7) “potential incident” is a event involving the escape of gas from a gas gathering, transmission, or distribution facilities resulting in hospitalization, fatality, or property damage that may meet the threshold of an incident, but sufficient time has not passed to verify the extent of injuries, fatalities, or property damage.</u>	
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Provisional Water and Wastewater

The following matrix compares existing and proposed regulations for provisionally certificated water and sewer utilities. A brief explanation of the proposed changes precedes the table. Staff recommends the proposed changes be issued for public comment.

The Department of Commerce, Community and Economic Development’s Division of Community and Regional Affairs (DCRA), the only entity submitting comments regarding provisional certification in response to Order R-05-004(1), concurs with Staff’s changes below.¹⁴ DCRA also proposed revising 3 AAC 48.277(a)(17) and 3 AAC 48.277(a)(27) (requiring small economically regulated water and sewer utilities to maintain accounts in accordance with the Uniform System of Accounts) to explicitly exempt provisionally certificated utilities from the requirement. Staff does not believe the proposed revisions to 3 AAC 48.277 are necessary because 3 AAC 52.720(a) exempts provisionally certificated utilities from economic regulation.¹⁵ Staff believes the revision proposed below will sufficiently relieve provisionally certificated utilities from the requirement to keep records in accordance with the Uniform System of Accounts.

3 AAC 52.724 – Continuing Requirements

Staff proposes the Commission revise 3 AAC 52.724 to remove the requirement for provisionally certificated water and sewer utilities to maintain records in accordance with the Uniform System of Accounts and report information to the Commission in this format. Staff believes it is sufficient for these utilities to provide basic revenue and expense information using the system of accounts they already utilize as long as the sources of revenue are clearly identified. Staff proposes maintaining the flexibility of allowing provisionally certificated utilities to file either a combined statement or separate statements for water and sewer operations.

¹⁴ See *Comments of the Department of Commerce, Community and Economic Development Division of Community and Regional Affairs*, filed August 7, 2015.

¹⁵ The only exceptions to the exemption are the statute addressing charges for water and sewer line extensions (AS 42.05.385) and regulations addressing consumer complaints (3 AAC 52.726).

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3 AAC 52.724 - Existing	3 AAC 52.724 – Proposed on February 12, 2017	Staff Recommendation
<p>3 AAC 52.724. Continuing requirements. (a) A provisionally certificated utility shall file the following information each year, no later than 180 days after the close of the utility's annual accounting period:</p> <p>(1) a fee of \$100;</p> <p>(2) an affidavit stating that the utility continues to meet the qualifications for provisional certification set out in 3 AAC 52.720;</p> <p>(3) a statement of any changes to information submitted with the utility's application for provisional certification;</p> <p>(4) a statement of revenue and expense for the last fiscal year on a form prescribed by the commission; the utility must identify all sources of revenue including customer fees and operational subsidies from other sources; to comply with this paragraph</p> <p>(A) the utility may file a combined water and wastewater statement using at least the following accounts, if applicable to that utility: income account 400 and associated subaccounts and expense accounts 401, 403, 408.1, 409.1, 421, and 427 as described in the Uniform System of Accounts for Class D water utilities prescribed under 3 AAC 48.277(a)(17);</p>	<p>3 AAC 52.724. Continuing requirements. (a) A provisionally certificated utility shall file the following information each year, no later than 180 days after the close of the utility's annual accounting period:</p> <p>(1) a fee of \$100;</p> <p>(2) an affidavit stating that the utility continues to meet the qualifications for provisional certification set out in 3 AAC 52.720;</p> <p>(3) a statement of any changes to information submitted with the utility's application for provisional certification;</p> <p>(4) a statement of revenue and expense for the last fiscal year on a form prescribed by the commission; the utility must identify all sources of revenue including customer fees and operational subsidies from other sources. <u>The utility may file a combined water and wastewater statement or separate water and wastewater statements.</u> [; TO COMPLY WITH THIS PARAGRAPH</p> <p>(A) THE UTILITY MAY FILE A COMBINED WATER AND WASTEWATER STATEMENT USING AT LEAST THE FOLLOWING ACCOUNTS, IF APPLICABLE TO THAT UTILITY: INCOME ACCOUNT 400 AND ASSOCIATED SUBACCOUNTS AND EXPENSE ACCOUNTS 401, 403, 408.1, 409.1, 421, AND 427 AS DESCRIBED IN THE</p>	<p>No revisions to the February 12, 2017 proposal.</p>

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<p>(B) the utility may file a separate water and wastewater statement using at least the following accounts, if applicable to that utility:</p> <p>(i) for water, income account 400 and associated subaccounts and expense accounts 401, 403, 408.1,409.1, 421, and 427 as described in the Uniform System of Accounts for Class D water utilities prescribed under 3 AAC 48.277(a)(17);</p> <p>(ii) for wastewater, income account 400 and associated subaccounts and expense accounts 401, 402, 403, 408, 409, 421, and 427 as described in the Uniform System ,of Accounts for Class D sewer utilities prescribed under 3AAC 48,277(a)(27);</p>	<p>UNIFORM SYSTEM OF ACCOUNTS FOR CLASS D WATER UTILITIES PRESCRIBED UNDER 3 AAC 48.277(A)(17);</p> <p>(B) THE UTILITY MAY FILE A SEPARATE WATER AND WASTEWATER STATEMENT USING AT LEAST THE FOLLOWING ACCOUNTS, IF APPLICABLE TO THAT UTILITY:</p> <p>(I) FOR WATER, INCOME ACCOUNT 400 AND ASSOCIATED SUBACCOUNTS AND EXPENSE ACCOUNTS 401, 403, 408.1,409.1, 421, AND 427 AS DESCRIBED IN THE UNIFORM SYSTEM OF ACCOUNTS FOR CLASS D WATER UTILITIES PRESCRIBED UNDER 3 AAC 48.277(A)(17);</p> <p>(II) FOR WASTEWATER, INCOME ACCOUNT 400 AND ASSOCIATED SUBACCOUNTS AND EXPENSE ACCOUNTS 401, 402, 403, 408, 409, 421, AND 427 AS DESCRIBED IN THE UNIFORM SYSTEM ,OF ACCOUNTS FOR CLASS D SEWER UTILITIES PRESCRIBED UNDER 3AAC 48,277(A)(27);]</p>	
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Refuse

AS 42.05.711(i) exempts refuse utilities with annual gross revenues of \$300,000 or less from economic regulation.¹⁶ While this threshold is reviewed during initial certification, there is currently no regulation requiring an annual filing by the utility to verify that it has remained under the \$300,000 threshold. Staff believes a regulation should be written requiring refuse utilities with revenues below the \$300,000 threshold to annually identify their regulated revenues. Staff suggests that the following requirements be included in the regulation:

None	3 AAC 52.X10 – Proposed on February 12, 2017	Staff Recommendation
None.	<p>3 AAC 52.X10. Application and purpose.</p> <p>(a) The provisions of 3 AAC 52.X10 – 3 AAC 52.X20 apply to all refuse utilities subject to the regulatory jurisdiction of the commission and govern the furnishing of refuse service to the public.</p> <p>(b) The purpose of 3 AAC 52.X10 – 3 AAC 52.X20 is to establish guidance for refuse utilities subject to exemption from certain regulatory requirements under AS 42.05.711(i). This article also provides procedural guidance to refuse utilities that become ineligible for exemption from certain regulatory requirements by virtue of exceeding the economic threshold prescribed in AS 42.05.711(i).</p> <p>(c) For good cause, the commission will, in its discretion, waive all or any portion of the standards in 3 AAC 52.X10 – 3 AAC 52.X20 applicable to an individual refuse utility, or establish interim standards for that utility.</p>	No revisions to the February 12, 2017 proposal.

¹⁶ AS 42.05.711(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.

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None	3 AAC 52.X20 – Proposed on February 12, 2017	Staff Recommendation
None	<p>3 AAC 52.X20. Continuing requirements.</p> <p>(a) A certificated refuse utility that qualifies for an exemption under AS 42.05.711(i) shall file, each year, an affidavit stating that the utility continues to meet the qualifications set out in AS 42.05.711(i), no later than 90 days after the close of the utility's annual accounting period. For purposes of identifying a utility's annual gross revenues used to determine the applicability of the exemption in AS 42.05.711(i), a refuse utility shall only consider revenues derived from regulated activities.</p> <p>(b) A certificated refuse utility that previously qualified for an exemption under AS 42.05.711(i) but has surpassed the economic threshold prescribed therein, shall:</p> <ol style="list-style-type: none"> (1) notify the commission within 30 days of exceeding the revenue threshold; (2) within 180 days of the close of the utility's annual accounting period: <ol style="list-style-type: none"> (A) file a tariff, as set out in 3 AAC 48.220 – 3 AAC 48.420. (B) begin paying regulatory cost charges, as set out in AS 42.05.254 and 3 AAC 47.010 – 3 AAC 47.999. (C) file an annual report, as set out in AS 42.05.451. 	No revisions to the February 12, 2017 proposal.