

The Alaska State Legislature

[HOME](#)[SENATE](#)[HOUSE](#)[BILLS & LAWS](#)[MEDIA CENTER](#)[PUBLICATIONS](#)[GET STARTED](#)

30th Legislature(2017-2018)

Infobases

SEARCH

Display

?



Contents



Next



Previous



Query



Next



Hit



Prev. Hit



Home



Folio

How

to Query

Sec. 42.05.431. Power of commission to fix rates.

(a) When the commission, after an investigation and hearing, finds that a rate demanded, observed, charged, or collected by a public utility for a service subject to the jurisdiction of the commission, or that a classification, rule, regulation, practice, or contract affecting the rate, is unjust, unreasonable, unduly discriminatory or preferential, the commission shall determine a just and reasonable rate, classification, rule, regulation, practice, or contract to be observed or allowed and shall establish it by order. A municipality may covenant with bond purchasers regarding rates of a municipally owned utility, and the covenant is valid and enforceable and is considered to be a contract with the holders from time to time of the bonds. The financial covenants contained in mortgages and other debt instruments of cooperative utilities organized under AS 10.25 are also valid and enforceable, and rates set by the commission must be adequate to meet those covenants. However, a cooperative utility that is negotiating to enter a mortgage or other debt instrument that provides for a times-interest-earned ratio (TIER) greater than the ratio the commission most recently approved for that cooperative shall submit the mortgage or debt instrument to the commission before the instrument takes effect. The commission may disapprove the instrument within 60 days after its submission. If the commission has not acted within 60 days, the instrument is considered to be approved.

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

(c) Notwithstanding (b) of this section,

(1) a wholesale agreement for the sale of power from a project licensed by the Federal Energy Regulatory Commission on or before January 1, 1987, and related contracts for the wheeling, storage, regeneration, or wholesale repurchase of power purchased under the agreement, entered into between the Alaska Energy Authority and one or more other public utilities or among the utilities after October 31, 1987, and before January 1, 1988, and amendments to the wholesale agreement or related contract, and the wholesale agreement or related contract assigned by the Alaska Energy Authority to a joint action agency formed under AS 42.45.310 that purchases the project from the Alaska Energy Authority, are not subject to review or approval by the commission until all long-term debt incurred for the

Date: 12-7-17 Exh # 11-103
Regulatory Commission of Alaska
U-16-094 By: JH U-17-008
Northern Lights Realtime & Reporting, Inc.
(907) 337-2221

QUICK LINKS

[Infobases](#) [Districts](#) [FAQ](#)
[Legislative Information Offices](#)
[Legislative Affairs Agency](#) [Public Opinion Messages](#)

Copyright © 2014 Alaska Legislature, All Rights Reserved.

LEGISLATIVE LINKS

[Finance](#) [Audit](#) [Ombudsman](#) [Ethics](#) [LBAA](#) [ARRC](#) [100 Years](#)
[Centennial](#) [Office of Victims' Rights](#) [Legislative Council](#)
[Disclaimer / Credits](#) [Webmaster](#)

[Senate Majority](#) [Minority](#)[House Majority](#) [Minority](#)