

ALASKA ADMINISTRATIVE CODE

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Title 3

Commerce, Community, and Economic Development

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**JANUARY 2012 SUPPLEMENT
INCLUDING REGISTERS 187 THROUGH 200**

**REGULATORY COMMISSION OF ALASKA
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Part 7. Regulatory Commission of Alaska.

Chapter

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Article 1. Practice Before the Commission.

Section

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Section

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3 AAC 48.121. Alternative dispute resolution procedures.

(a) A person may request alternative dispute resolution by petition if no adjudicatory proceeding is open, or by motion in an existing adjudicatory proceeding. An initiating order in an adjudicatory proceeding will specify the date by which a motion for alternative dispute resolution must be filed.

(b) Except for a dispute over an initial interconnection agreement filed under 47 U.S.C. 252 (Telecommunications Act of 1996), a telecommunications carrier may submit any dispute with another telecommunications carrier to the commission for resolution under this section.

(c) A petition or motion requesting alternative dispute resolution must contain

- (1) a description of the matter to be resolved;
- (2) the type of alternative dispute resolution procedure sought;
- (3) a request for the commission to appoint an administrative law judge or a statement that outside resources will be used;
- (4) a certification that the person attempted to negotiate the matter to be resolved before filing the petition or motion;
- (5) a statement that the person believes alternative dispute resolution has a reasonable potential of resolving disputed matters and the reasons supporting that belief;
- (6) an explanation of the anticipated effect of alternative dispute resolution on applicable timelines; and
- (7) a proposal for concluding the adjudicatory proceeding within applicable timelines.

(d) A petition for alternative dispute resolution must be served on those persons that will be involved in the alternative dispute resolution process. A motion in an existing adjudicatory proceeding must be served on all parties.

(e) A person served with a petition for alternative dispute resolution may file a response within 30 days after the date the petition is filed. A party served with a motion for alternative dispute resolution may file a response within 10 days after the date the motion is filed. The commission may order a person opposing alternative dispute resolution to participate in a one-day mediation session. A person opposing alternative dispute resolution is not

(1) obligated to attend subsequent alternative dispute resolution sessions or to pay costs of alternative dispute resolution; and

(2) bound by the resolution of the matter achieved under this section.

(f) In determining whether a matter is suitable for alternative dispute resolution, the commission will consider the

(1) timing of the request relative to the ability of the participants to adequately prepare, whether parties to an existing adjudicatory proceeding are willing to waive applicable timelines, the effect of alternative dispute resolution on applicable timelines, and other factors that may make the request untimely; and

(2) complexity of the subject matter, if needed, availability of commission resources, and whether the absence of an interested person from the alternative dispute resolution process detrimentally affects the likelihood of resolving disputed issues.

(g) If the commission determines the matter is suitable for alternative dispute resolution, the commission will issue an order directing that the alternative dispute resolution proceeding be held and establishing guidelines for the proceeding. The participants may select the individual who will conduct the alternative dispute resolution proceeding and must notify the commission of their selection. If the individual selected is an administrative law judge, the commission will appoint the administrative law judge by order.

(h) The person assigned or appointed to conduct the alternative dispute resolution proceeding

(1) shall consult with the participants and establish procedures and schedules necessary to resolve the dispute, and may facilitate voluntary discovery;

(2) may with the consent of all participants engage in ex parte communications with individual participants; and

(3) may not preside over the underlying or subsequent adjudicatory proceeding unless the person assigned to conduct the alternative dispute resolution proceeding, all participants, and the commission consent in writing.

(i) A schedule adopted under (h)(1) of this section must allow the commission 30 days to consider and rule upon the proposed resolution of disputed issues. The commission will issue its decision within 30 days, unless it extends the time for good cause. The commission may accept or reject the proposed resolution of the dispute or may require additional proceedings.

(j) A participant in an alternative dispute resolution proceeding may withdraw from the proceeding by filing a notice of withdrawal with the commission. The notice must be served on all participants in the alternative dispute resolution proceeding and all parties in the underlying adjudicatory proceeding, if any. If a notice of withdrawal is filed by a participant in an alternative dispute resolution proceeding, the commission may reevaluate the suitability of the matter for alternative dispute resolution under (f) of this section.

(k) Evidence of conduct or statements in an alternative dispute resolution proceeding is not subject to discovery and is not admissible in adjudicatory proceedings before the commission.

(l) If a proposed resolution achieved through alternative dispute resolution is not accepted by the commission, any evidence of comments or statements made on that proposed resolution is not admissible in adjudicatory proceedings before the commission.

(m) The participants may use commission meeting or hearing rooms for alternative dispute resolution, subject to commission priorities.

(n) The commission may assess participants a share of the costs of the alternative dispute resolution proceeding.

(o) If a party to an informal complaint is not satisfied with the resolution of the complaint under 3 AAC 48.120, the party may request alternative dispute resolution of the issues addressed in the informal complaint rather than pursue a formal complaint under 3 AAC 48.130. The commission may order alternative dispute resolution after evaluating the factors stated in (f) of this section and the ability of each party to effectively participate in alternative dispute resolution.

(p) In this section, "alternative dispute resolution"

(1) includes conciliation, facilitation, early neutral evaluation, fact finding, mini-trial, and mediation; and

(2) does not include arbitration. (Eff. 5/5/2000, Register 154; am 8/31/2008, Register 187)

Authority:	AS 42.04.050	AS 42.05.141	AS 42.06.055
	AS 42.04.070	AS 42.05.151	AS 42.06.140
	AS 42.04.080		

3 AAC 48.140. Conferences. (a) Informal conferences of the parties involved in an informal complaint or formal proceeding or of their authorized representatives may be held at any time to provide opportunity for the settlement, adjustment, clarification or resolution of any issues or problems relating to any matter whatever. Informal conferences may be initiated by the parties or by the commission or members of its staff. Any decision, or agreement, resulting from an informal conference may, if necessary, be presented to the commission by an authorized spokesman for the conferees and the commission may take whatever action thereon it deems appropriate.

(b) Upon call by a presiding officer, on motion by any party, or on the

commission's own initiative, a pre-hearing conference of the parties or their attorneys or authorized representatives may be held at any time to expedite the orderly conduct and disposition of a hearing. Any member of the commission may attend a pre-hearing conference, and shall conduct the conference if elected to do so by the commission. Alternatively, the commission will appoint as chair of the pre-hearing conference a presiding officer, a hearing examiner, a hearing officer, an administrative law judge, an employee of the commission, or legal counsel representing the commission, and will direct that person to conduct and preside over the pre-hearing conference and report the results to the commission. If a pre-hearing conference is called while a hearing is in session with all parties either present or represented, oral notice of the time and place of the conference is sufficient. Otherwise, notice of the time and place of the conference must be given to each party, in writing, with due regard and consideration to the convenience of the parties.

(c) By direction of the presiding officer, a pre-hearing conference may be conducted on or off the record. In addition to any pertinent matter considered previously at an informal conference, each conferee will be encouraged to present any factual contentions and theories in support of the conferee's pleading or position in the proceeding and, in addition, to consider and, if possible, agree upon other matters including

- (1) the simplification, delineation, and limitation of matters involving issues of fact and questions of law;
- (2) the identification and numbering of exhibits;
- (3) the exchange and acceptance of service of exhibits, including exhibits containing written testimony proposed to be offered in evidence;
- (4) the obtaining of admission as to, or stipulation of, facts not remaining in dispute;
- (5) the necessity or desirability of amendments to pleadings for purposes of clarification, amplification, or limitation;
- (6) limitation of the number of witnesses;
- (7) the feasibility of consolidating the examination of witnesses;
- (8) the procedure of the hearing;
- (9) the possibility of settlement and the use of alternative dispute resolution; and
- (10) any other matter that may expedite the orderly conduct and disposition of the proceeding.

(d) Upon conclusion of a pre-hearing conference, the parties, their attorneys, or their authorized representatives shall reduce the results of the conference to the form of a written stipulation reciting the matters agreed upon. An original and 10 copies of that stipulation, as well as any additional copies required under 3 AAC 48.090(b)(3), must be filed with the commission within 10 days after the date of the conference or at the beginning of the hearing that follows, whichever occurs first. Every stipulation must be

- (1) signed by the parties or by their attorneys or authorized representatives;
 - (2) received in evidence as part of the evidentiary record; and
 - (3) binding on the parties with respect to the matters stipulated.
- (e) If a pre-hearing conference is conducted on the record, and a transcript of it is ordered, it may, upon agreement of the conferees, be introduced in evidence at the hearing and be received as part of the evidentiary record. If the record of a pre-hearing conference is not introduced and received in evidence, all facts disclosed during the pre-hearing conference, except as set forth in a stipulation pursuant to (d) of this section, are privileged and, except by prior agreement, shall not be used against participating parties either before the commission or elsewhere unless fully substantiated by evidence. (Eff. 1/13/73, Register 44; am 6/29/84, Register 90; am 8/6/92, Register 123; am 3/21/2003, Register 165; am 8/31/2008, Register 187)

Authority: AS 42.05.141 AS 42.05.151 AS 42.06.140

Article 2. Utility and Pipeline Tariffs.

Section	Section
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220. Filing of tariff	440. Rates for interexchange access
274. Pipeline carrier initial rate filings	

3 AAC 48.200. Scope of regulations. Except as provided in 3 AAC 48.450 — 3 AAC 48.490, the provisions of 3 AAC 48.200 — 3 AAC 48.442 cover the construction, preparation, content, filing, posting, and publication of utility and pipeline tariffs, including special contracts. (Eff. 11/16/73, Register 48; am 6/29/84, Register 90; am 1/9/2009, Register 189)

Authority: AS 42.05.141 AS 42.06.140 AS 42.06.390
 AS 42.05.151 AS 42.06.350

3 AAC 48.220. Filing of tariff. (a) An original and 10 copies of each utility tariff filing must be on file with the commission at least 45 days before the tariff may take effect unless the commission, by order, authorizes the filing to take effect in less than 45 days after the date of filing, or unless another commission regulation provides for a different filing method or time period. An original and 10 copies of each initial pipeline tariff filing shall be on file with the commission at least 90 days before it may become effective unless the commission, by order, authorizes the filing to become effective in less than 90 days from the date of delivery. An original and 10 copies of each revised pipeline tariff must be on file with the commission at least 30 days before the tariff may take effect unless the commission, by order, authorizes the filing to take effect in less than 30 days after the date of filing. Each filing must be transmitted to the commission by means of consecutively

numbered letters designated as "Tariff Advice Letter No. 1, 2, 3, etc." Every advice letter must contain the applicable information set out in 3 AAC 48.270, unless another commission regulation provides otherwise. If a utility or pipeline carrier desires an effective date before the end of the statutory notice period for a filing, the utility or pipeline carrier shall request an earlier effective date and set out the reasons in the tariff advice letter. The utility or pipeline carrier shall attach rate studies or supply other information pertinent to the filing. If interim approval of a tariff filing is sought, that request must also be set out in the tariff advice letter.

(b) The commission will retain the original and one copy of every contract or other tariff filing, and will return one copy to the utility or the pipeline carrier after the effective date of the filing and the date of receipt by the commission have been stamped on it.

(c) Special contracts are treated as tariff filings. A utility service, commodity, or facility furnished to a customer under an unwritten contract or arrangement must be discontinued unless the parties to it execute a written contract and file it with the commission. This subsection does not apply to merchandising of equipment and appliances, parts replacement and repair work on customer-owned equipment, utility construction or materials purchase contracts, easements, applications for membership in cooperative associations, and service agreements which merely recite the provisions of a utility's filed tariff.

(d) A newly formed utility, or a utility brought under the commission's jurisdiction by operation of law, shall file its complete tariff with the commission as part of its application for a certificate of public convenience and necessity. A utility filing an application for extension of its service area shall include as part of its application any tariff revisions that may be required and a statement justifying the applicability of its existing tariff in the new service area. These filings are subject to modification, and take effect on the date the certificate, or amendment to the certificate, is granted or at a later date under an order of the commission.

(e) Every tariff on file with and approved by the commission is considered to be lawful until revised in accordance with the procedures established by law and 3 AAC 48.200 — 3 AAC 48.430, and other commission regulations.

(f) Within 120 days after the effective date of this subsection, each pipeline carrier shall file tariff sheets in accordance with 3 AAC 48.200 — 3 AAC 48.430 covering every rate, charge, rule, regulation, or condition of service then being applied by the carrier.

(g) If the parties to a special contract filed with and approved by the commission cancel that contract, the utility shall notify the commission that the special contract has been cancelled. The notice to the commission will be by tariff advice letter and must include a copy of the instrument cancelling the special contract and the effective date of the cancellation. (Eff. 11/16/73, Register 48; am 6/29/84, Register 90; am

8/6/92, Register 123; am 9/16/2005, Register 175; am 4/24/2009, Register 190)

Authority:	AS 42.05.141	AS 42.05.361	AS 42.05.421
	AS 42.05.151	AS 42.05.371	AS 42.06.140
	AS 42.05.231	AS 42.05.391	AS 42.06.350
	AS 42.05.241	AS 42.05.411	AS 42.06.390

3 AAC 48.274. Pipeline carrier initial rate filings. (a) Each filing with the commission of an initial pipeline tariff rate for a newly constructed pipeline or a pipeline not previously regulated under AS 42.06 must include

(1) a statement of assets, liabilities, and other credits as of the beginning of the calendar or fiscal year following the projected commencement of regulated pipeline operation;

(2) a statement of annual income and operating expenses as of the beginning of the calendar or fiscal year following the projected commencement of regulated pipeline operation;

(3) a statement of the pipeline carrier's equity position to include capital stock, retained earnings, owner's equity, or fund balances for the beginning of the calendar or fiscal year following the projected commencement of regulated pipeline operation;

(4) a schedule showing the calculation of the initial rates;

(5) a schedule showing the computations of the revenue requirement for the calendar or fiscal year following the projected commencement of regulated pipeline operation;

(6) a schedule showing estimated operating revenues and expenses for the calendar or fiscal year following the projected commencement of regulated pipeline operation;

(7) a schedule showing the computation of the pro forma provision for income taxes for the calendar or fiscal year following the projected commencement of regulated pipeline operation;

(8) a schedule showing the computation of rate base using the initial balances of all rate base components;

(9) a summary of

(A) pipeline plant and depreciation for the first calendar or fiscal year following the projected commencement of regulated pipeline operation, showing plant in service;

(B) depreciation expense for each plant account;

(C) the depreciation method;

(D) asset life; and

(E) net salvage value used for computing depreciation expense and the beginning-of-year balance of each plant account and the related account for accumulated depreciation;

(10) a schedule showing the pro forma cash working capital requirement based on the projected test-year;

(11) a schedule showing the computation of weighted cost of capital, separately delineating

- (A) the percentage amount and embedded cost of debt;
- (B) the percentage amount and rate of return on equity; and
- (C) the resultant returns on the rate base computed in (8) of this subsection;

(12) a schedule showing all liabilities of long-term debt at the beginning of the calendar or fiscal year following the projected commencement of regulated pipeline operation, including

- (A) a description of each obligation;
- (B) the nominal date of issue;
- (C) the date of maturity;
- (D) the authorized face amount; and
- (E) a computation of embedded cost of debt used in (11) of this subsection; and

(13) prefiled direct testimony complying with 3 AAC 48.153 that supports the information filed with the application, and a list of the witnesses filing testimony.

(b) A pipeline carrier seeking to collect funds to dismantle or remove pipeline facilities or restore rights-of-way in rates filed in accordance with (a) of this section must provide

- (1) a copy of all documents imposing an obligation to dismantle or remove pipeline facilities or restore rights-of-way;
- (2) a detailed study supporting estimated costs to dismantle and remove the pipeline facilities and restore rights-of-way, and the work papers supporting the study;
- (3) a schedule of cumulative projected fund balance by year, including projected collections, expenditures, earnings, and any effect of income taxes on the fund's projected earnings;
- (4) an explanation of proposed fund management; and prefiled direct testimony complying with 3 AAC 48.153 that supports information filed under this subsection, and a list of the witnesses filing testimony.

(c) If a pipeline carrier files a new rate for transportation on a pipeline not previously regulated under AS 42.06, the commission may require, in addition to the information required under (a) of this section, information pertaining to the pipeline's historical costs and operations. (Eff. 4/24/2009, Register 190)

Authority:	AS 42.06.140	AS 42.06.360	AS 42.06.380
	AS 42.06.350	AS 42.06.370	AS 42.06.390

3 AAC 48.275. Supporting information. (a) Except as provided in (b) of this section, each filing with the commission of a permanent or interim tariff revision that involves a change in rates to the customers of a utility or shippers of a pipeline carrier must include the following supporting information in the following order:

- (1) a comparative statement of assets, liabilities, and other credits

as of the end of each of the two calendar or fiscal years preceding the date of filing;

(2) a comparative statement of income and operating expenses as of the end of each of the two calendar or fiscal years preceding the date of filing;

(3) a comparative statement of changes in the utility's or pipeline carrier's equity position to include fluctuations in capital stock, retained earnings, owner's equity, or fund balances for each of the two calendar or fiscal years preceding the date of filing;

(4) a schedule showing the amount of the proposed rate change, both in absolute dollars and as a percentage increase or decrease, applied to the most recent approved permanent tariff rates and charges for each customer or service classification;

(5) a schedule showing the computations of revenue requirement, and revenue deficiency or surplus, in both absolute dollars and as a percentage of revenues, for the normalized test-year;

(6) a schedule showing test-year operating revenues and expenses, pro forma adjustments, and the resulting normalized test-year operating revenues and expenses;

(7) a schedule showing the computation of and a narrative explanation for any pro forma adjustments to the test-year results of operations;

(8) a schedule showing the computation of the pro forma provision for income taxes for the normalized test-year;

(9) a schedule showing the computation of rate base using a 13-month average (the arithmetic sum of the beginning of each month net balance for the 12-month test period, plus the balance at the end of the twelfth month of the test period, divided by 13) of all rate-base components except cash working capital allowance, and using any other rate-base theory the utility or pipeline carrier considers appropriate and supportable;

(10) a summary of utility, or pipeline, plant and depreciation for each of the two calendar or fiscal years preceding the date of filing, showing plant in service; depreciation expense for each plant account; depreciation method; asset life; and net salvage used for computing that depreciation expense and the end-of-year balance of each plant account and the related account for accumulated depreciation;

(11) a schedule showing the pro forma cash working capital requirement based on the normalized test-year;

(12) a schedule showing the computation of weighted cost of capital, separately delineating the percentage amount and embedded cost of debt, and the percentage amount and rate of return on equity, together with a schedule showing the resultant returns on each of the rate bases computed in (9) of this subsection;

(13) a schedule showing all liabilities of longterm debt for each of the two calendar or fiscal years preceding the filing, including a

description of each obligation; nominal date of issue; date of maturity; authorized face amount; and the computation of the embedded cost of debt used in (12) of this subsection;

(14) as provided for under 3 AAC 48.153, prefiled direct testimony in support of the information filed under this subsection, together with a list of the witnesses filing testimony;

(15) for a pipeline carrier seeking to collect in rates money to cover costs to dismantle or remove a pipeline facility or restore a right-of-way,

(A) any document imposing an obligation to dismantle or remove a pipeline facility or restore a right-of-way;

(B) a detailed study supporting the total estimated cost to dismantle and remove the pipeline facility and restore the right-of-way;

(C) a schedule of the cumulative balance to date of any fund for the dismantlement or removal of a pipeline facility or the restoration of a right-of-way; the schedule must provide details since inception of the pipeline of annual revenue, expenditures, and earnings;

(D) a schedule showing the effect of income taxes, if any, on the cumulative balance to date of any fund for the dismantlement or removal of a pipeline facility or the restoration of a right-of-way;

(E) an explanation of how the existing or proposed fund for the dismantlement or removal of a pipeline facility or the restoration of a right-of-way will be managed; and

(F) a statement identifying any component of the rate-base computation associated with the dismantlement or removal of a pipeline facility or the restoration of a right-of-way;

(16) for a pipeline carrier that has performed dismantlement or removal of a pipeline facility or the restoration of a right-of-way during the test year, a schedule showing any adjustments pertaining to the costs of the dismantlement or removal of the pipeline facility or the restoration of the right-of-way included in the schedule submitted in accordance with (5) of this subsection.

(b) Unless otherwise ordered by the commission, (a) of this section does not apply to the following charges and periodic rates, provided cost justification is included with the tariff filings:

(1) charges for connections, reconnections, installations, bad checks, late payments, line extensions, meter testing, special services of a non-utility nature, special equipment (one-time charges), moves and changes, directory listings, or maintaining records;

(2) changes in customer deposit requirements, cooperative association membership fees, payments instead of assessments, or contributions or advances in aid of construction;

(3) initial connection or installation charges and initial, inception, or periodic rates established for new equipment or a new service added to the tariff of a utility or pipeline carrier.

(c) If the information required by (a)(1), (2), (3) and (4) of this section is not available for the entire calendar or fiscal year immediately preceding the tariff filing, the utility shall file the available information for that year and indicate the date the entire information for that year will be filed with the commission.

(d) — (f) Repealed 6/29/84.

(g) Each account referred to in any item required to be filed by (a) of this section shall refer to the proper account number of the applicable Uniform System of Accounts.

(h) In addition to any other supporting studies required by this chapter, if a proposed tariff revision includes a rate redesign, other than an across-the-board increase, a cost-of-service study and a narrative explaining the methodology used in the study must be submitted in the same number of copies as required under 3 AAC 48.270(a).

(i) If the rates for public utility or pipeline carrier services submitted as a part of a tariff filed with an application for transfer of a certificate of public convenience and necessity, or for transfer of a controlling interest in a certificated public utility or pipeline carrier, under AS 42.05.281 or AS 42.06.305 and 3 AAC 48.640(a)(3) and (4), differ from those of the transferor, the applicant shall file supporting financial information required by (a) of this section.

(j) The commission advisory staff, within its resources as provided for in 3 AAC 48.157(b), shall analyze the reasonableness and propriety of a utility's or pipeline carrier's filing, including its accuracy, representativeness, methodology, and conformance with law.

(k) Subsection (a) of this section does not apply to filings for the development and support of access charges. A filing for the development and support of access charges must be in accordance with the Alaska Intrastate Interexchange Access Charge Manual, adopted by reference in 3 AAC 48.440.

(l) A pipeline carrier with simplified pipeline tariff rates filed under 3 AAC 48.450 — 3 AAC 48.490 may file revised rates, along with a statement specifying the simplified tariff rates subject to revision, under this section if

(1) property balances filed in support of the revised rates are based on current plant property, additions, retirements, and accumulated depreciation consistent with the pipeline carrier's previous filings under 3 AAC 48.450 — 3 AAC 48.490;

(2) the rate base and property balances are not adjusted to

(A) add an allowance for funds used during construction for property in service during the period rates filed under 3 AAC 48.450 — 3 AAC 48.490 were in effect except as provided in (m) of this section; or

(B) subtract accumulated deferred income taxes except as provided in (m) of this section; and

(3) any dismantlement, removal, and restoration costs waived by the pipeline carrier during the period rates filed under 3 AAC

48.450 — 3 AAC 48.490 were in effect are not recovered in rates filed under this section.

(m) If the commission orders the pipeline carrier to subtract accumulated deferred income taxes from the rate base, the pipeline carrier filing revised rates under (l) of this section may add to the rate base and property balances an allowance for funds used during construction that does not exceed the amount of accumulated deferred income taxes deducted from the rate base.

(n) The accumulated depreciation balances used to calculate rates filed under 3 AAC 48.450 — 3 AAC 48.490 are not subject to investigation or protest when included in rates filed under (l) of this section. The beginning plant balances, additions, and retirements verified by the pipeline carrier for rates filed under 3 AAC 48.450 — 3 AAC 48.490 are subject to investigation or protest when included in rates filed under (l) of this section. (Eff. 9/12/75, Register 55; am 6/8/78, Register 66; am 6/29/84, Register 90; am 1/10/99, Register 149; am 5/5/2000, Register 154; am 3/21/2003, Register 165; am 8/19/2006, Register 179; am 1/9/2009, Register 189)

Authority: AS 42.04.080	AS 42.05.411	AS 42.06.350
AS 42.05.141	AS 42.05.431	AS 42.06.370
AS 42.05.151	AS 42.05.441	AS 42.06.390
AS 42.05.361	AS 42.06.055	AS 42.06.430
AS 42.05.391	AS 42.06.140	

3 AAC 48.440. Rates for interexchange access. Access charges shall be assessed for use of local exchange telephone utility facilities by the providers of intrastate interexchange telecommunications services. Those charges must be determined, assessed, and collected, and revenues from those charges must be distributed, in accordance with the commission's rules as set out in the *Alaska Intrastate Interexchange Access Charge Manual*, dated May 4, 2011, and adopted by reference. That manual is available at the offices of the Regulatory Commission of Alaska as specified in 3 AAC 48.010(a). (Eff. 2/16/90, Register 113; am 4/7/93, Register 126; am 1/10/99, Register 149; am 4/24/2004, Register 170; am 7/9/2004, Register 171; am 12/12/2004, Register 172; am 8/14/2006, Register 179; am 7/31/2011, Register 199)

Authority: AS 42.05.141	AS 42.05.321	AS 42.05.381
AS 42.05.151	AS 42.05.361	AS 42.05.401
AS 42.05.311	AS 42.05.371	AS 42.05.830

Article 3. Simplified Pipeline Tariffs.

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Publisher's note: As of Register 189 (April 2009), this new Article 3 was added and former Articles 3 through 7 were designated as Articles 4 through 8.

3 AAC 48.450. Applicability and purpose. (a) The provisions of 3 AAC 48.450 — 3 AAC 48.490 apply to a pipeline carrier proposing to implement or revise a simplified pipeline tariff for a designated pipeline facility.

(b) The purpose of 3 AAC 48.450 — 3 AAC 48.490 is to create a separate class of pipeline facilities under AS 42.06.620, each of which is referred to as a designated pipeline facility. A pipeline carrier may maintain as its effective tariff or as a portion of its effective tariff for a designated pipeline facility a simplified form of tariff. (Eff. 1/9/2009, Register 189)

Authority: AS 42.06.140 AS 42.06.390 AS 42.06.620
AS 42.06.350

3 AAC 48.452. Eligibility of pipeline facility subject to no permanent tariff. (a) A pipeline carrier may file a simplified pipeline tariff containing rules complying with 3 AAC 48.462, rates complying with 3 AAC 48.464, or both, for a new pipeline facility, the new portion of an existing pipeline facility, or a pipeline facility or portion of a pipeline facility to be constructed.

(b) A pipeline carrier that has not had permanent tariff rules for an existing pipeline facility may file a simplified pipeline tariff containing rules complying with 3 AAC 48.462.

(c) A pipeline carrier that has not had permanent tariff rates for an existing pipeline facility may file a simplified pipeline tariff containing rates complying with 3 AAC 48.464.

(d) A pipeline carrier that has not had either permanent tariff rules or rates for an existing pipeline facility may file rules complying with 3 AAC 48.462, rates complying with 3 AAC 48.464, or both.

(e) A pipeline carrier may file a simplified pipeline tariff containing rules complying with 3 AAC 48.462, rates complying with 3 AAC 48.464, or both, for an existing pipeline facility not previously regulated under AS 42.05 or AS 42.06. (Eff. 1/9/2009, Register 189)

Authority: AS 42.06.140 AS 42.06.390 AS 42.06.620
AS 42.06.350

3 AAC 48.454. Eligibility of pipeline facility with permanent tariff. (a) A pipeline carrier with a proposed designated pipeline facility not eligible under 3 AAC 48.452 may file a simplified pipeline tariff containing rules complying with 3 AAC 48.462, rates complying with 3 AAC 48.464, or both, along with a petition requesting that the commission declare the pipeline facility a designated pipeline facility eligible to operate under a simplified pipeline tariff. The petition must contain a statement that the pipeline carrier withdraws its tariff or specific tariff sheets filed under 3 AAC 48.200 — 3 AAC 48.410, as of the date the simplified pipeline tariff goes into effect.

(b) After notice and an opportunity for hearing, the commission will grant the petition and declare the proposed designated pipeline facility a designated pipeline facility if it finds that designated pipeline facility status is consistent with controlling law and is in the public interest. (Eff. 1/9/2009; Register 189)

Authority: AS 42.04.080 AS 42.06.140 AS 42.06.620
AS 42.06.055 AS 42.06.350

3 AAC 48.456. Date of designated pipeline facility status. A pipeline facility that is the subject of a simplified pipeline tariff under 3 AAC 48.452 — 3 AAC 48.454 becomes a designated pipeline facility on the date the simplified pipeline tariff goes into effect. (Eff. 1/9/2009, Register 189)

Authority: AS 42.06.140 AS 42.06.350 AS 42.06.620

3 AAC 48.458. Simplified pipeline tariff. (a) A simplified pipeline tariff must contain rules complying with 3 AAC 48.462, rates complying with 3 AAC 48.464, or both. The provisions of 3 AAC 48.200 — 3 AAC 48.410 are generally applicable to simplified pipeline tariff filings under 3 AAC 48.450 — 3 AAC 48.490, except

(1) the provisions of 3 AAC 48.275(a), (c), (g), (h) and (i) do not apply to those filings; and

(2) as otherwise provided in 3 AAC 48.450 — 3 AAC 48.490.

(b) A simplified tariff filed under 3 AAC 48.452 must also state the proposed effective date of the simplified pipeline tariff. If the simplified pipeline tariff is filed under 3 AAC 48.454, the tariff must state that the effective date is the date the commission grants designated pipeline facility status.

(c) A pipeline carrier proposing to revise a simplified pipeline tariff for a designated pipeline facility shall file a complete replacement tariff, along with a markup version of the existing tariff identifying additions, deletions, or other changes. (Eff. 1/9/2009, Register 189)

Authority: AS 42.06.140 AS 42.06.350 AS 42.06.360

3 AAC 48.460. Tariff letter for simplified pipeline tariffs.

(a) A pipeline carrier proposing to implement a simplified pipeline tariff for the first time for a proposed designated pipeline facility shall file a tariff letter that

(1) if filed under 3 AAC 48.452, specifies an effective date for the simplified pipeline tariff at least 90 days following the date of filing; if an earlier effective date is requested the tariff letter must state good cause for the tariff to take effect on the earlier date;

(2) specifies whether the filing is made under 3 AAC 48.452(a), (b), (c), (d), or (e), or 3 AAC 48.454(a);

(3) specifies whether the filing proposes to implement rules, rates, or both, and describes the proposed rules, rates, or both;

(4) attaches an affidavit attesting that the rules, rates, or both comply with 3 AAC 48.462; 3 AAC 48.464, or both, as applicable.

(b) A pipeline carrier with a permanent tariff in effect under 3 AAC 48.200 — 3 AAC 48.410 shall specify that the tariff or specified sheets of the tariff filed under 3 AAC 48.450 — 3 AAC 48.490 will supersede some or all of the existing tariff as of the date the simplified pipeline tariff goes into effect.

(c) A pipeline carrier proposing to revise a simplified pipeline tariff for a designated pipeline facility shall file a tariff letter that

(1) specifies an effective date for the replacement simplified pipeline tariff at least 90 days following the date of filing; if an earlier effective date is requested the tariff letter must state good cause for the tariff to take effect on the earlier date;

(2) describes the proposed revisions; and

(3) attaches an affidavit attesting that the revised rules or rates comply with the requirements of 3 AAC 48.462 or 3 AAC 48.464, as applicable.

(d) Each tariff advice letter filed under this section must be designated as TL[number] followed by a hyphen and the number of the pipeline carrier's certificate of public convenience and necessity, if issued. If the pipeline carrier has previously filed tariff letters for tariffs filed under 3 AAC 48.200 — 3 AAC 48.410 or 3 AAC 48.450 — 3 AAC 48.490, the TL number must be the next consecutive number. (Eff. 1/9/2009, Register 189)

Authority: AS 42.06.140 AS 42.06.350 AS 42.06.360

3 AAC 48.462. Simplified pipeline tariff rules. (a) In addition to the requirements of 3 AAC 48.360 and as applicable 3 AAC 48.370, rules contained in a simplified pipeline tariff must include

(1) a statement setting out the location of the principal place of business and the location where the books and records are kept;

(2) a statement that the pipeline carrier's books and records are

kept in accordance with 3 AAC 48.277, or that the accounts of the pipeline carrier are kept in a manner enabling the pipeline carrier to furnish the books and records in compliance with 3 AAC 48.277;

(3) a description of the oil, gas, or product quality, temperature of transported substance, and any other applicable specifications, including pipeline pressure specifications;

(4) if the designated pipeline facility transports crude oil or products, a statement that upon request the pipeline carrier will provide common carriage over the designated pipeline facility;

(5) if the designated pipeline facility transports natural gas, either

(A) a statement that upon bona fide request the pipeline carrier will provide common carriage over the designated pipeline facility; or

(B) a statement that upon bona fide request the pipeline carrier will provide firm transportation service and interruptible transportation service over the designated pipeline facility in compliance with (b) of this section;

(6) a statement of how to apply for service and interconnection, including the name, title, and address of the designated contact for the pipeline carrier; and

(7) a statement describing the invoicing practices of the pipeline carrier and the obligations of the shipper to pay invoices, including the timing of invoicing and payment.

(b) If simplified tariff rules provide for firm and interruptible transportation services, simplified tariff rules must provide that

(1) upon bona fide request for interruptible transportation service, a natural gas pipeline carrier that provides service under firm and interruptible rules shall provide interruptible transportation service to the degree capacity is unused by firm shippers;

(2) upon bona fide request for firm transportation service, a natural gas pipeline carrier shall

(A) provide firm transportation service if sufficient capacity exists; or

(B) if sufficient capacity does not exist, provide interruptible transportation service and commit to secure additional capacity in accordance with (3) and (4) of this subsection;

(3) if sufficient capacity is not available to meet a bona fide request for firm transportation service, the pipeline carrier shall immediately request all existing firm shippers to identify any firm capacity on the designated pipeline facility that the shipper is willing to release back to the pipeline carrier for re-contracting to the party seeking firm service; the pipeline carrier shall offer to the entity seeking firm transportation service the right to acquire the released or assigned firm capacity up to the amount of its initial request;

(4) if firm transportation service secured by the pipeline carrier under (3) of this subsection is not sufficient to meet the bona fide

request, the pipeline carrier shall expand the designated natural gas pipeline facility if the shipper requesting expanded capacity for firm transportation service fully pays for the additional firm transportation capacity requested; the pipeline carrier shall credit the amount of payment provided against future rates payable by the shipper, provide additional firm transportation capacity on a rolled-in rate basis, and complete the expansion of the designated pipeline facility by the end of the construction season following the granting of timely filed applications for any permits necessary to authorize the expansion;

(5) if the expansion of the designated pipeline facility is not completed within the time period specified in (4) of this subsection, the pipeline carrier shall provide prorated service to all firm shippers, including the entity requesting additional firm capacity, until the expanded capacity is available; and

(6) the pipeline carrier's commitment and offer to provide firm and interruptible transportation service, and to expand the designated pipeline facility to provide additional firm transportation capacity, continue regardless of whether the designated pipeline facility continues to operate under simplified pipeline tariff rules. (Eff. 1/9/2009, Register 189)

Authority: AS 42.06.140	AS 42.06.360	AS 42.06.380
AS 42.06.350	AS 42.06.370	AS 42.06.410

3 AAC 48.464. Simplified pipeline tariff rates. (a) Rates contained in an initial simplified pipeline tariff must be less than or equal to rates computed using

(1) a cost-of-service component that consists of

(A) total actual annual operating costs up to and including \$10,000,000 and less than or equal to the sum of

(i) 10 percent of the initial rate base of \$1,000,000 or less;

(ii) 7.5 percent of the initial rate base over \$1,000,000 up to and including \$5,000,000; and

(iii) five percent of the initial rate base over \$5,000,000;

(B) an annual depreciation expense calculated using straight-line depreciation and a 25-year economic life;

(C) a return on rate base equal to the rate of return specified in (3) of this subsection multiplied by the rate base specified in (2) of this subsection; and

(D) annual ad valorem taxes based on the mill rate adopted under

(i) AS 43.56.010 for crude oil and gas pipelines; or

(ii) AS 29.45.010 for product pipelines;

(2) a rate base component composed of beginning plant costs less prior accumulated depreciation, if any, and working capital of 2.5 percent of beginning plant costs; and

(3) a rate-of-return component with an overall weighted pretax cost of capital of 14.1 percent.

(b) Total annual operating costs under (a)(1)(A) of this section must be exclusive of depreciation and ad valorem taxes.

(c) The rate design for rates contained in a simplified pipeline tariff must be either a single system-wide rate or mileage-proportional rates and

(1) if the carrier is providing common carriage service, the rate design must include a volumetric rate based on throughput; or

(2) if the carrier is providing firm and interruptible service, the rate design must include a reservation fee or similar charge for reservation of capacity complying with AS 42.06.350(c)(1).

(d) The collection of money for dismantlement, removal, and restoration is waived for the period the designated pipeline facility operates under rates contained in a simplified pipeline tariff. The pipeline carrier may not, through future revised rates, recover any portion of the dismantlement, removal, and restoration money waived under this subsection.

(e) The initial estimated throughput used to calculate rates for a new pipeline facility with less than 15 months' operating experience must be the estimated average annual throughput during the first three years of operation. The initial estimated throughput used to calculate rates for a pipeline facility with 15 or more months' operating experience must be the actual annual throughput during the most recent four calendar quarters.

(f) A pipeline carrier collecting rates filed under 3 AAC 48.200 — 3 AAC 48.410 that proposes to revise its rates by implementing simplified pipeline tariff rates shall comply with the requirements of (a), (b), and (c) of this section and the following requirements:

(1) plant balances, accumulated depreciation, additions, and retirements shall be based upon

(A) actual beginning plant balances, accumulated depreciation, additions, and retirements authorized by the commission to be included in rates; or

(B) in the absence of a specific authorization by the commission, amounts used to determine rates in the pipeline carrier's previous rate filings;

(2) undepreciated plant balances must be depreciated using the straight-line method based on a 25-year economic life reduced by the number of years the designated pipeline facility was in public service before the filing of a simplified pipeline tariff.

(g) A pipeline carrier with simplified pipeline tariff rates in effect may file revised rates below the currently effective rates without providing information required by 3 AAC 48.466. This subsection does not relieve the pipeline carrier of the obligation to file revised rates in compliance with (h) of this section.

(h) A pipeline carrier with simplified pipeline tariff rates shall file revised rates no later than first quarter of the third calendar year following the effective date of the most recent rates filed under (a) of this section.

(i) Revisions to simplified pipeline tariff rates may be submitted in accordance with 3 AAC 48.275 or this section. Revised rates filed under this section must be calculated in accordance with (a), (b), and (c) of this section and the following requirements:

(1) operating costs for revised rates must be based on initial operating costs, indexed upward or downward as follows:

(A) the index is the Producer Price Index for Finished Goods (PPI-FG) using a 1982 base year, as published by the United States Department of Labor, Bureau of Labor Statistics (BLS) in the PPI Detailed Report, or equivalent data retrieved from <http://www.bls.gov> as Series ID WPUSOP3000;

(B) the operating costs for revised rates are the initial operating costs, divided by the PPI-FG reported for the month in which the initial operating costs were filed, multiplied by the PPI-FG

(i) for the month nearest to the date of the current filing; and

(ii) that is not identified as preliminary or subject to revision or correction;

(C) each filing that includes an indexing calculation must

(i) clearly identify the value and month of the PPI-FG used in each step of the calculation; and

(ii) include a copy of each BLS report that was used to obtain the data, or a printout of the equivalent data retrieved from the BLS website;

(2) property balances for revised rates must include adjustments, for actual additions and actual retirements including accumulated depreciation balances, to plant balances, as reflected in the most recent previous filing under this section;

(3) estimated throughput for revised rates must be based upon actual throughput for the most recent four calendar quarters. (Eff. 1/9/2009, Register 189)

Authority:	AS 42.06.140	AS 42.06.370	AS 42.06.390
	AS 42.06.350	AS 42.06.380	AS 42.06.410
	AS 42.06.360		

3 AAC 48.466. Supporting information for simplified pipeline tariff rates. (a) A pipeline carrier filing a simplified pipeline tariff to implement simplified pipeline tariff rates for the first time shall file with the tariff

(1) an affidavit itemizing actual plant expenditures by major asset class and attesting that all plant costs were prudently incurred and expended solely for the purpose of providing the regulated service; and

(2) an affidavit stating the basis for the actual or estimated throughput level and attesting that the actual or estimated throughput level complies with 3 AAC 48.464(e) and is based on the most accurate information available at the time of the filing.

(b) A pipeline carrier proposing to revise simplified pipeline tariff

rates voluntarily or as required by 3 AAC 48.464(h) shall file with the tariff

- (1) an affidavit itemizing any additions to or retirements of plant by major asset class and attesting that all additional plant costs were prudently incurred and expended solely for the purpose of providing the regulated service; and
- (2) an affidavit stating the basis for the actual or estimated throughput level and attesting that the actual or estimated throughput level is based on the most accurate information available at the time of the filing. (Eff. 1/9/2009, Register 189)

Authority: AS 42.06.140 AS 42.06.370 AS 42.06.390
AS 42.06.350 AS 42.06.380 AS 42.06.410
AS 42.06.360

3 AAC 48.468. Rejection, suspension, notice, and effective date. (a) In accordance with 3 AAC 48.310, the commission may reject a simplified pipeline tariff that does not meet the requirements of 3 AAC 48.450 — 3 AAC 48.490.

(b) A simplified pipeline tariff meeting the requirements of 3 AAC 48.450 — 3 AAC 48.490 will be noticed to the public in accordance with 3 AAC 48.280. A petition to declare the pipeline facility a designated pipeline facility eligible to operate under a simplified pipeline tariff will be noticed to the public as part of the simplified pipeline tariff filing.

(c) Except as provided in 3 AAC 48.474(b), simplified pipeline tariff rules under 3 AAC 48.462 or rates filed under 3 AAC 48.464 are effective on the 91st day after filing unless

- (1) the commission suspends the simplified pipeline tariff filing and opens an investigation into the filing; or
- (2) upon request by the applicant for good cause shown the commission determines to shorten the period before which the tariff rules, rates, or both become effective.

(d) A simplified pipeline tariff filed under 3 AAC 48.454(a) takes effect on the date of the commission order granting the petition requesting designated pipeline facility status. (Eff. 1/9/2009, Register 189)

Authority: AS 42.04.080 AS 42.06.140 AS 42.06.400
AS 42.06.055 AS 42.06.350

3 AAC 48.470. Exemption from AS 42.05. A designated pipeline facility with an effective simplified pipeline tariff is exempt under AS 42.05.711(d) from the provisions of AS 42.05. (Eff. 1/9/2009, Register 189)

Authority: AS 42.05.711 AS 42.06.140

3 AAC 48.474. Protests and settlements. (a) A person may protest a simplified pipeline tariff under 3 AAC 48.130. Upon the filing of a protest, or upon the commission's own motion, the commission will open a docket and appoint a settlement judge who shall

(1) convene a settlement meeting with the parties within 10 days of the initial order opening the docket;

(2) work with the parties to resolve the disputed issues within 60 days of the initial order opening the docket by assisting the parties in reaching an agreement to withdraw the protest and to move the commission to close the docket under 3 AAC 48.090(d)(2); and

(3) if the settlement process does not resolve all issues, file a report within 10 days of the conclusion of the settlement process identifying to the commission each issue that remains unresolved.

(b) If a docket is opened under (a) of this section, proposed simplified pipeline tariff rules or rates take effect 121 days after their filing unless suspended or otherwise ordered by the commission.

(c) If the settlement process does not resolve all issues, the commission may suspend the tariff filing and order additional proceedings and filings as required by AS 42.04 and AS 42.06.

(d) The commission will assign an administrative law judge other than the assigned settlement judge to preside over any proceeding required under (c) of this section. (Eff. 1/9/2009, Register 189)

Authority: AS 42.04.070 AS 42.06.055 AS 42.06.350
AS 42.04.080 AS 42.06.140 AS 42.06.400

3 AAC 48.476. No precedential effect. Tariff rules adopted and approved under 3 AAC 48.462 and tariff rates adopted and approved under 3 AAC 48.464 are not precedent for tariff rules or rates filed under other provisions of this chapter. (Eff. 1/9/2009, Register 189)

Authority: AS 42.06.140

3 AAC 48.490. Definitions. In 3 AAC 48.450 — 3 AAC 48.490, unless the context requires otherwise,

(1) "BLS" means the United States Department of Labor, Bureau of Labor Statistics;

(2) "bona fide request" means a request for transportation service made by a shipper or potential shipper that

(A) has natural gas capable of being shipped on the designated pipeline facility; and

(B) if requesting expansion, is capable of advancing and will advance the necessary and reasonable capital to pay for any necessary expansion of the designated pipeline facility;

(3) "calendar quarter" means the three-month periods ending March 31, June 30, September 30 and December 31 of each year;

(4) "designated pipeline facility" means, as identified in a simplified pipeline tariff and accompanying tariff letter or petition, either

the entirety of a new or an existing pipeline facility, or the new extension of an existing pipeline facility that qualifies as a designated pipeline facility under 3 AAC 48.456;

(5) "firm transportation service" has the meaning given in AS 42.06.630;

(6) "interruptible transportation service" has the meaning given in AS 42.06.630;

(7) "PPI-FG" means the Producer Price Index for Finished Goods using a 1982 base year, as published by the United States Department of Labor, Bureau of Labor Statistics (BLS) in the PPI Detailed Report, or equivalent data retrieved from <http://www.bls.gov> as Series ID WPUSOP3000. (Eff. 1/9/2009, Register 189)

Authority: AS 42.06.140 AS 42.06.350

Article 5. Applications Generally.

Section

- 625. Pipeline carrier application
- 648. Complete applications
- 650. Incomplete applications
- 652. Supplemental information

Section

- 654. Contested applications
- 656. Separate applications.
- 661. Timelines for consideration of applications

3 AAC 48.625. Pipeline carrier application. (a) In addition to any other information or requirement specified by 3 AAC 48.600 — 3 AAC 48.660, a person requesting a right, power, privilege, or authority provided for in AS 42.06 shall file an application with the commission. An application must be in writing, and verified under oath by the applicant. Except as provided in (b) of this section, must contain:

(1) the names of applicants, business mailing addresses, electronic mail addresses, and contact telephone numbers;

(2) the name and address of the operator of the pipeline, if different from the applicants;

(3) a clear and concise statement of what right, power, privilege, or authority is being requested;

(4) the statutory or regulatory citation authorizing the right, power, privilege, or authority requested;

(5) a detailed description of the proposed service to be offered or discontinued, and the pipeline or facility to be constructed, operated, extended, expanded, interconnected, acquired or abandoned or otherwise modified, including

(A) a United States Geological Survey topographic map or other map of similar quality showing the pipeline route, exact location of the pipeline facilities, and receipt and delivery points;

(B) a description of the length and diameter of the pipeline;

(C) a statement of the pipeline's capacity and projected life; and

(D) copies of all pipeline right-of-way agreements or, if right-of-way agreements are not finalized, copies of the most current right-of-way applications;

(6) for new construction, the estimated system cost, annual operating expenses, description of financing arrangements, and projected rates;

(7) for new construction, transfers of certificates of public convenience and necessity, or transfers of controlling interest,

(A) a description of the ability and willingness of one or more applicants to provide the proposed services;

(B) for existing businesses, the applicants' most recent audited financial statements for the two most recent fiscal years preceding the date of the application;

(C) for new businesses, the audited financial statements for the two most recent fiscal years preceding the date of the application, of the entities that hold ownership interests; or

(D) if the audited financial statements required in (B) or (C) of this paragraph are unavailable, a request that the requirements of (B) or (C) of this paragraph be waived; a request for a waiver under this subparagraph must include

(i) a certification that independent audits are not performed;

(ii) financial statements consisting of, at a minimum, comparative balance sheets, income, and cash flow statements for the two most recent fiscal years preceding the date of the application, verified and certified for accuracy; and

(iii) a description of how the public convenience and necessity requires the service;

(8) the names, addresses, and percentage ownership of owners holding five percent or more;

(9) the names and addresses of the applicants' affiliated interests;

(10) the location in this state where the applicants' books, accounts, papers, and records will be held as required by AS 42.06.430(5);

(11) the names, titles, resumes, and responsibilities of key management employed or to be employed by the applicants;

(12) if a substantial change or modification is contemplated in a pipeline or facility, a detailed description and analysis of the projected change in facilities, service, and transportation rates;

(13) the names of persons that may be affected if the application is granted; and

(14) a statement from a company official authorizing the commission to notice the application.

(b) If information satisfying the requirements of (a)(5) — (12) of this section is filed with a previous application submitted under this section, the applicant may reference that information and need not restate the information.

(c) The commission will mail notice of the application to each person who

(1) has filed a request for notice of applications; or

(2) the commission believes is interested in the proposed application.

(d) The commission will rule on an application filed under this section in accordance with the timelines set out in 3 AAC 48.661, including extensions of those timelines for good cause. The commission will set out findings on good cause in an order extending the deadline. (Eff. 6/29/84, Register 90; am 5/5/2000, Register 154; am 4/24/2009, Register 190)

Authority:	AS 42.04.080	AS 42.06.240	AS 42.06.300
	AS 42.06.055	AS 42.06.250	AS 42.06.305
	AS 42.06.140	AS 42.06.290	AS 42.06.340

3 AAC 48.648. Complete applications. (a) The provisions of this section apply to applications subject to timelines under AS 42.05.175 and to pipeline applications filed under 3 AAC 48.625.

(b) An application is complete when filed with the commission unless the application

(1) is rejected by the commission under 3 AAC 48.650(a) within the 15 business days after the date the application was filed;

(2) is accompanied by a request, described in (c) of this section, for waiver of a filing requirement, and the waiver request is subsequently denied;

(3) is accompanied by a petition, described in (d) of this section, for confidential treatment that is subsequently denied, and the records filed under seal are withdrawn under the procedures stated at 3 AAC 48.047; or

(4) does not include a proposed public notice of the application that complies with (e) of this section.

(c) For the purposes of (b)(2) of this section, an applicant requesting a waiver of any filing requirement must file a separate motion for waiver, accompanying the application, in compliance with the filing requirements of 3 AAC 48.805. An interested person wishing to file a response to a waiver request must file that response with the commission by the end of the public comment period. The applicant requesting the waiver wishing to file a reply to the response must file that reply with the commission within the five business days after the end of the public comment period. The commission will by order grant or deny the waiver request within 30 days after the end of the public comment period. An application accompanied by a waiver request is

(1) complete on the date the application is filed if all requested waivers of application filing requirements are granted and all other filing requirements are met; or

(2) rejected without prejudice to refile if any requested waiver of a filing requirement is denied.

(d) For the purposes of (b)(3) of this section, an applicant requesting confidentiality on any component of an application must file a separate petition for confidential treatment, accompanying the application, in compliance with 3 AAC 48.045. An interested person wishing to file an opposition to the confidentiality petition must file the opposition with

the commission by the end of the public comment period. The applicant seeking confidential treatment wishing to file a reply to the opposition must file that reply with the commission within the five business days after the end of the public comment period. The commission will by order grant or deny the confidentiality petition within 30 days after the end of the public comment period. An application accompanied by a petition for confidential treatment is

(1) complete on the date the application was filed if the confidentiality petition is granted and all other filing requirements are met;

(2) complete on the date the application was filed if the confidentiality petition is denied, the confidentiality proponent does not request to withdraw the record, and all other filing requirements are met; or

(3) rejected without prejudice to refile if the confidentiality petition is denied and the commission grants a petition to withdraw the record under 3 AAC 48.047.

(e) An applicant shall file a proposed notice of the application with the commission, along with a purchase order reflecting that the applicant has arranged for publication of the notice in a newspaper of general circulation in this state. The notice must comply with 3 AAC 48.645 and contain

(1) a general description of the service proposed by the application;

(2) a request that interested parties file public comments with the commission at the address specified in the notice;

(3) a deadline for the public comment period of 21 days from the date of publication of the notice;

(4) a statement indicating whether any motions for waiver or petitions for confidentiality will be filed with the application, along with a description of the information subject to the motion for waiver or petition for confidentiality;

(5) the physical and mailing address and telephone number of the applicant;

(6) the commission's mailing address and website address;

(7) a statement that the commission has not determined whether the application is complete;

(8) a statement of the deadline for the commission to determine whether the application is complete; and

(9) a statement that the application will be available for review at the offices of the commission upon filing, along with a statement of the date that the application will be filed with the commission.

(f) Within five business days after the filing of an application and proposed notice, the commission will arrange for publication of the notice in a newspaper of general circulation in this state.

(g) In this section, "business day" means a day other than Saturday, Sunday, or a state holiday. (Eff. 10/16/2009, Register 192)

Authority: AS 42.04.080	AS 42.05.241	AS 42.06.240
AS 42.05.141	AS 42.05.281	AS 42.06.250
AS 42.05.151	AS 42.05.661	AS 42.06.260
AS 42.05.175	AS 42.05.810	AS 42.06.270
AS 42.05.221	AS 42.06.140	AS 42.06.305
AS 42.05.231		

3 AAC 48.650. Incomplete applications. (a) The commission may dismiss an application that

- (1) does not comply with a requirement established by statute or regulations and forms adopted by the commission;
- (2) contains a request for waiver that does not comply with 3 AAC 48.648(c); or
- (3) contains a petition for confidential treatment that does not comply with 3 AAC 48.648(d).

(b) If an application is found to be partially incomplete, the commission will issue an order explaining why the application is being dismissed.

(c) Repealed 10/16/2009. (Eff. 1/13/73, Register 44; am 10/16/2009, Register 192)

Authority: AS 42.05.141	AS 42.05.241	AS 42.06.270
AS 42.05.151	AS 42.06.140	

3 AAC 48.652. Supplemental information. After issuing an order finding an application to be complete, the commission may require that the applicant provide supplemental or clarifying information that the commission determines is necessary for the commission to reach a decision in the application. The commission will request the applicant furnish the information by a specified date. If the applicant fails to respond on or before the specified date, the commission will proceed with the application as filed. (Eff. 10/16/2009, Register 192)

Authority: AS 42.05.141	AS 42.05.151	AS 42.06.140
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3 AAC 48.654. Contested applications. (a) Before the close of the comment period, an interested person may file with the commission comments or a protest of the application under 3 AAC 48.100.

- (b) A protest of an application must include
 - (1) specific grounds for the protest, including a listing of facts in dispute;
 - (2) any steps the applicant may take to mitigate the protest;
 - (3) any conditions the commission should consider applying to the application if approved; and
 - (4) a petition to intervene under 3 AAC 48.110.

(c) If a filing does not contain the information required in (b) of this section, the commission will consider the filing to be comments.

(d) An applicant wishing to file a response to the protest must file that response with the commission within the 10 days after the close of the comment period.

(e) The commission will issue an order indicating whether there will be a hearing on the application within 15 days after the filing of the applicant's response to the protest. (Eff. 10/16/2009, Register 192)

Authority: AS 42.04.080	AS 42.05.171	AS 42.06.140
AS 42.05.141	AS 42.05.221	AS 42.06.240
AS 42.05.151	AS 42.06.055	

3 AAC 48.656. Separate applications. (a) An applicant for commission designation under 3 AAC 53.400 — 3 AAC 53.499 as an eligible telecommunications carrier for more than one study area must file a separate application for each study area.

(b) An applicant for commission approval to acquire control of more than one certificate of public convenience and necessity may file a consolidated application for the multiple certificates of public convenience and necessity. The commission may consider the request to acquire control of each certificate of public convenience and necessity in a separate docket and may require the applicant to submit additional copies of supporting information.

(c) An applicant for commission approval for the issuance of more than one certificate of public convenience and necessity must file a separate application for each proposed certificate of public convenience and necessity.

(d) Except as specified in (a) of this section, an applicant for commission approval to provide telecommunications service in more than one study area may submit a consolidated application for all areas. The commission may consider the request to provide service in each study area in a separate docket and may require the applicant to submit additional copies of supporting information. For the purpose of this subsection, "telecommunications" has the meaning given in AS 42.05.990.

(e) The commission will reject an application that does not meet the requirements of (a) or (c) of this section. (Eff. 10/16/2009, Register 192)

Authority: AS 42.05.141	AS 42.05.231	AS 42.06.140
AS 42.05.151	AS 42.05.281	AS 42.06.240
AS 42.05.221	AS 42.06.055	AS 42.06.305

3 AAC 48.661. Timelines for consideration of applications. (a) Except for intrastate interexchange carrier applications governed by 3 AAC 52.360(d), the commission will rule on an application for a new certificate of public convenience and necessity within six months after the filing of a complete application.

(b) The commission will rule on an application to extend the service area authorized under an existing certificate of public convenience and necessity within six months after the filing of a complete application.

(c) The commission will rule on an application to transfer an existing certificate of public convenience and necessity within six months after the filing of a complete application.

(d) The commission will rule on an application to acquire a controlling interest in a certificated public utility or pipeline carrier within six months after the filing of a complete application.

(e) The commission will rule on an application to change the name of the holder of an existing certificate of public convenience and necessity within three months after the filing of a complete application.

(f) The commission will determine if an application is complete in accordance with 3 AAC 48.648.

(g) The commission will extend the periods for action set out in (a) — (f) of this section for good cause. The commission will set out findings on good cause in an order extending a deadline. (Eff. 5/5/2000, Register 154; am 5/18/2003, Register 166; am 10/16/2009, Register 192)

Authority:	AS 42.04.080	AS 42.05.221	AS 42.06.055
	AS 42.05.141	AS 42.05.241	AS 42.06.140
	AS 42.05.151	AS 42.05.281	AS 42.06.240

Chapter 50. Energy Conservation.

Article

3. Net Metering Standards (3 AAC 50.900 — 3 AAC 50.949)

Article 3. Net Metering Standards.

Section

900. Applicability and waiver
910. Net metering of electric energy
920. Eligible consumer generation systems.
930. Charges or credits for net electric energy

Section

940. Interconnection of eligible consumer generation systems
949. Definitions

3 AAC 50.900. Applicability and waiver. (a) Except as provided in (b) of this section, the net metering requirements set out in 3 AAC 50.900 — 3 AAC 50.949 apply to an electric utility that is subject to economic regulation.

(b) The net metering requirements set out in 3 AAC 50.900 — 3 AAC 949 do not apply to

(1) an independent electric system owned and operated by an electric utility that is subject to economic regulation if, except for fossil fuel generation for standby and emergency power, 100 percent of the independent electric system's power is supplied by a facility that produces electric energy derived from one or more of the sources listed in 3 AAC 50.920(1)(A) — (H);

(2) an independent electric system owned and operated by an electric utility that is subject to economic regulation, if the independent electric system had total retail sales of less than 5,000,000 kilowatt-hours during the previous calendar year; or

(3) any portion of the distribution system of an electric utility that is subject to economic regulation, if the electric utility demonstrates to the commission that limiting net metering installations in that portion of its distribution system is reasonably necessary to address system stability constraints or other operational issues.

(c) A requirement in 3 AAC 50.900 — 3 AAC 50.949, other than one also required by a provision of AS 42.05, may be modified or waived, in whole or in part, by order of the commission upon application and a showing of good cause or on the commissioner's own motion. Application for waiver must be in writing and set out the pertinent facts in sufficient detail to support a finding by the commission that no legitimate public interest will be served by enforcing the requirement designated in the application. A requirement in 3 AAC 50.900 — 3 AAC 50.949 that is also required by a provision of AS 42.05 may be modified or waived, in whole or in part, by order of the commission upon application in writing and a showing that the modification or waiver is in the public interest. (Eff. 6/16/2010, Register 194)

Authority: AS 42.05.141 AS 42.05.291 AS 42.05.711
AS 42.05.151 AS 42.05.691

3 AAC 50.910. Net metering of electric energy. (a) Except as provided in (b) of this section, an electric utility shall

(1) make a net metering program available to each of its retail consumers; and

(2) allow consumer generation systems eligible under 3 AAC 50.920 to be interconnected to the electric utility's facilities in accordance with interconnection standards contained in the electric utility's tariff.

(b) An electric utility may refuse to interconnect with a consumer requesting net metering, if interconnection would cause the total nameplate capacity of all eligible consumer generation systems participating in the net metering program to exceed 1.5 percent of the electric utility's average retail demand stated in the electric utility's tariff as required in (d) of this section. The electric utility shall notify the commission no later than 30 days after refusal if the electric utility refuses, for the reason set out in this subsection, to interconnect with a consumer requesting net metering.

(c) An electric utility that has a decrease in average retail demand that results in the total nameplate capacity of eligible consumer generation systems exceeding 1.5 percent of average retail demand shall allow existing net metering consumers to continue participating in the net metering program.

(d) On or before March 1 of each year, an electric utility shall file a tariff advice letter with accompanying tariff sheet stating the number of kilowatts equivalent to 1.5 percent of the electric utility's average retail demand for the previous calendar year and the total nameplate capacity of eligible consumer generation systems participating in the net metering program at the time of filing.

(e) An electric utility may request, by tariff advice letter, to use a limit on total nameplate capacity of eligible consumer generation systems participating in the net metering program above 1.5 percent of the electric utility's average retail demand.

(f) An electric utility may deny participation in a net metering program to a consumer that

(1) participates in another program that allows the consumer to collect, through voluntary contributions from other participating customers of the electric utility, more than the non-firm power rate per kilowatt-hour for the sale of electric energy; or

(2) sells electric energy under an existing contract that allows the consumer to collect more than the non-firm power rate per kilowatt-hour for the sale of electric energy.

(g) An electric utility may install additional metering equipment for net metering consumers, if the electric utility's tariff allows the electric utility to install the equipment. The electric utility

- (1) is responsible for all costs related to the purchase, installation, and maintenance of the additional metering equipment; and
- (2) may not assess a recurring charge for the additional metering equipment. (Eff. 6/16/2010, Register 194)

Authority: AS 42.05.141 AS 42.05.291 AS 42.05.321
 AS 42.05.151 AS 42.05.311

3 AAC 50.920. Eligible consumer generation systems. To be eligible for interconnection under a net metering program, a consumer generation system must

- (1) be a facility that produces electric energy derived from one or more of the following sources:
 - (A) solar photovoltaic and solar thermal energy;
 - (B) wind energy;
 - (C) biomass energy, including landfill gas or biogas produced from organic matter, wastewater, anaerobic digesters, or municipal solid waste;
 - (D) hydroelectric energy;
 - (E) geothermal energy;
 - (F) hydrokinetic energy;
 - (G) ocean thermal energy;
 - (H) other sources as approved by the commission that generally have similar environmental impact;
- (2) be operated and either owned or leased by the consumer, and
 - (A) have a total nameplate capacity of no more than 25 kilowatts per consumer premises;
 - (B) be located on the consumer premises;
 - (C) be used primarily to offset part or all of the consumer's requirements for electric energy; and
 - (D) include an inverter;
- (3) include an electric generator and its accompanying equipment package; and
- (4) be physically interconnected to the consumer's side of the meter from which the electric utility provides electric service to the consumer. (Eff. 6/16/2010, Register 194)

Authority: AS 42.05.141 AS 42.05.291 AS 42.05.321
 AS 42.05.151 AS 42.05.311

3 AAC 50.930. Charges or credits for net electric energy.

- (a) An electric utility with a consumer participating in a net metering program shall measure the net electric energy during each monthly billing period, and
 - (1) if the electric utility supplied more electric energy to the consumer than the consumer supplied to the electric utility during the monthly billing period, the electric utility shall bill the consumer for the number of kilowatt-hours of net electric energy supplied by

the electric utility to the consumer at the applicable rates contained in the electric utility's currently effective tariff; or

(2) if the consumer supplied more electric energy to the electric utility than the electric utility supplied to the consumer during the monthly billing period, the electric utility shall credit the consumer's account with an amount derived by multiplying the kilowatt-hours of net electric energy supplied by the consumer to the electric utility by the non-firm power rate contained in the electric utility's currently effective tariff, unless a different non-firm power rate has been established in a commission-approved contract.

(b) Dollar amounts credited to the account of a net metering consumer for furnishing electric energy to the electric utility under (a)(2) of this section

(1) shall be used to reduce dollar amounts owed by the consumer in subsequent monthly billing periods; and

(2) do not expire or otherwise revert to the electric utility.

(c) Except as otherwise provided in (a) and (b) of this section regarding per-kilowatt hour charges, the electric utility may bill a net metering consumer for all applicable charges authorized by the electric utility's approved tariff.

(d) An electric utility administering a net metering program may not charge a consumer participating in the net metering program any additional fee for standby, capacity, interconnection, or other net metering expense unless approved by the commission.

(e) An electric utility may petition the commission to change electric rate designs, consistent with 3 AAC 48.500 — 3 AAC 48.560, to include appropriate rate classes for net metering consumers, if the utility can demonstrate an adverse material rate impact on utility consumers that do not participate in the net metering program. (Eff. 6/16/2010, Register 194)

Authority:	AS 42.05.141	AS 42.05.291	AS 42.05.411
	AS 42.05.151	AS 42.05.391	AS 42.05.431

3 AAC 50.940. Interconnection of eligible consumer generation systems. (a) No later than March 31, 2012, each electric utility required under 3 AAC 50.900 to provide net metering services shall submit a tariff revision to incorporate interconnection rules for eligible consumer generation systems. The interconnection rules must

(1) address any requirements for liability insurance coverage, if that coverage is readily available at a reasonable cost to the consumer;

(2) address the installation of an external disconnect switch, unless the utility determines additional disconnection capability is not necessary; consumers must be offered the option to

(A) install an external disconnect switch in a location readily accessible by utility personnel, as designated by the utility; or

(B) agree to allow the utility to disconnect both the consumer's

non-utility generation and the consumer's load from the utility electric system when disconnection is necessary, under circumstances described in the utility's tariff;

(3) set out rules regarding the allocation of costs for the installation of the external disconnection switch in accordance with the following requirements:

(A) the utility may require the consumer to pay for the installed cost of the external disconnect switch and necessary wiring if the location designated by the utility under (2)(A) of this subsection is

(i) within five feet of the consumer's meter base;

(ii) at the consumer's main structure; or

(iii) at a location otherwise agreed to between the utility and the consumer;

(B) the utility may require the consumer to pay for the installed cost of the external disconnect switch but the utility shall pay for necessary wiring if the installed location of the external disconnect switch is a location other than one described in (A) of this paragraph;

(4) include an application form for interconnection of eligible consumer generation systems that is no more than two pages;

(5) include criteria and requirements for interconnection of non-utility generation with electric power systems; in developing those criteria and requirements, the utility may use, as applicable, standards from the Institute of Electrical and Electronics Engineers (IEEE) 1547 series of interconnection standards or other similar national standards; when determining the reasonableness of the tariff filing, the commission may refer to those standards and consider their applicability; and

(6) include requirements for inverters, converters, controllers, and interconnection system equipment for use by non-utility generation; in developing those requirements, the utility may use, as applicable, Underwriters' Laboratories (UL) standard 1741, *Standard for Inverters, Converters, Controllers and Interconnection System Equipment for Use With Distributed Energy Resources*, or other similar national standards; when determining the reasonableness of the tariff filing, the commission may refer to those standards and consider their applicability.

(b) Upon approval of an application for interconnection of an eligible consumer generation system by the utility,

(1) the provisions of 3 AAC 50.900 — 3 AAC 50.949 apply to the consumer and utility; and

(2) the provisions of 3 AAC 50.750 — c3 AAC 50.820 do not apply to the consumer and utility. (Eff. 6/16/2010, Register 194; am 10/3/2011, Register 200)

Authority: AS 42.05.141 AS 42.05.291 AS 42.05.321
AS 42.05.151 AS 42.05.311

3 AAC 50.949. Definitions. In 3 AAC 50.900 — 3 AAC 50.949, unless the context requires otherwise,

- (1) "average retail demand" means the number expressed in kilowatts and determined by dividing the total retail sales of the electric utility, measured in kilowatt-hours, for a calendar year with
 - (A) 365 days, by 8,760 hours;
 - (B) 366 days, by 8,784 hours;
- (2) "biomass energy"
 - (A) means energy derived from
 - (i) plant matter, including trees, grasses, and agricultural crops; or
 - (ii) animal matter, including fish;
 - (B) does not include energy derived from fossil fuels;
- (3) "consumer" means a customer
 - (A) of an electric utility that is subject to economic regulation;
 - (B) who consumes the electricity purchased from the electric utility;
- (4) "consumer-generated electric energy" means electric energy that is generated by a consumer eligible for participation in a net metering program;
- (5) "consumer premises" means all buildings and associated grounds owned by, leased by, rented to, or licensed to a consumer at a single location where an electric utility provides service through one or more utility meters;
- (6) "economic regulation" has the meaning given in 3 AAC 48.820;
- (7) "electric system" means an integrated electrical system that includes at least generation and distribution;
- (8) "eligible consumer generation system" means a system that complies with 3 AAC 50.920;
- (9) "equipment package" means a group of components connecting an electric generator to an electric utility's electric distribution system; "equipment package" includes all interface equipment and the interface equipment's controls, switchgear, inverter, and other interface devices;
- (10) "excess consumer-generated electric energy" means the amount of consumer-generated electric energy in excess of the consumer's consumption from the eligible consumer generation system during a monthly billing period, as measured at the electric utility's meter;
- (11) "geothermal energy" means energy generated from heat stored in the earth, or the collection of absorbed heat derived from underground;
- (12) "hydroelectric energy" means energy generated from falling or flowing water;

(13) "hydrokinetic energy" means energy generated from waves or directly from the flow of water in ocean currents, tides, or inland waterways;

(14) "independent electric system" means an electric system that is not interconnected with any other electric system;

(15) "inverter" means a device that converts direct-current power into alternating-current power so that the generated power is compatible with power generated by an electric utility;

(16) "nameplate capacity" means the maximum rated output of a generator, prime mover, or other electric power production equipment under specific conditions designated by the manufacturer;

(17) "net electric energy" means, as metered by the electric utility for a specified period and expressed in kilowatt-hours,

(A) the amount by which the quantity of electric energy supplied by the electric utility to the consumer exceeds the quantity of electric energy supplied by the consumer to the electric utility; or

(B) the amount by which the quantity of electric energy supplied by the consumer to the electric utility exceeds the quantity of electric energy supplied by the electric utility to the consumer;

(18) "net metering" means measuring the amount of net electric energy as described in 3 AAC 50.930(a) for the applicable billing period;

(19) "net metering program" means a program administered by an electric utility that allows a consumer operating and either owning or leasing an eligible consumer generation system to

(A) generate electric energy primarily for the consumer's own use;

(B) supply consumer-generated electric energy to the electric utility; and

(C) receive a credit under 3 AAC 50.930 if net metering results in excess consumer-generated electric energy during a billing period;

(20) "non-firm power rate" means the rate updated quarterly in an electric utility's tariff in accordance with 3 AAC 50.770(d), or established in a commission-approved contract as described in 3 AAC 50.930(a)(2);

(21) "ocean thermal energy" means the conversion of energy arising from the temperature difference between warm surface water of oceans and cold deep-ocean current into electrical energy or other useful forms of energy;

(22) "retail sales" means sales of electricity to the end-use consumer, exclusive of wholesale sales;

(23) "solar photovoltaic energy" means the conversion of sunlight into electricity through a photovoltaic cell;

(24) "solar thermal energy" means a technology for harnessing solar energy for thermal energy;

(25) "switchgear" means the combination of electrical disconnects, fuses, or circuit breakers used to

- (A) isolate electrical equipment; and
 - (B) de-energize equipment to allow work to be performed;
- (26) "external disconnect switch" means a visible-break, lockable device used to isolate a consumer generation system from the utility electric system. (Eff. 6/16/2010, Register 194; am 10/3/2011, Register 200)

Authority: AS 42.05.141 AS 42.05.151

Chapter 52. Operation of Public Utilities.

Article

4. Criteria for Intrastate Interexchange Telephone Competition (3 AAC 52.350 — 3 AAC 52.399)

Editor's note: As of Register 151 (October 1999), the functions of the former Department of Community and Regional Affairs were transferred to other state agencies. Revisions to regulations to re-

fect changes in state agencies' names were made by the regulations attorney in accordance with ch. 58, SLA 1999 and AS 44.62.125(b)(6).

Article 4. Criteria for Intrastate Interexchange Telephone Competition.

Section

372. Long distance rate reductions from elimination of carrier common line rates

3 AAC 52.372. Long distance rate reductions from elimination of carrier common line rates. (a) To the extent possible and reasonable, and taking into consideration (1) costs of service; (2) changes in calling volumes; (3) changes in intrastate access charge rates; (4) jurisdictional cost differences; and (5) other relevant factors, interexchange carriers shall reduce intrastate long distance rates within a reasonable time after the elimination, under 3 AAC 53.350(c), of the carrier common line charge with the goal of achieving parity between intrastate long distance rates and interstate long distance rates.

(b) No later than three months after the elimination, under 3 AAC 53.350(c), of the carrier common line charge, an interexchange carrier shall file a report describing changes it has made in intrastate long distance rates. For a period of five full calendar years thereafter, no later than March 31 of each year, an interexchange carrier shall file an annual report demonstrating the extent to which the carrier reduced intrastate long distance rates in the preceding calendar year in conformance with (a) of this section. The interexchange carrier's annual report must either demonstrate flow-through of access charge savings based upon the methodology developed through industry consensus and set out in the joint report submitted to the commission on December 13, 2001 in Docket R-01-1, or demonstrate reasonable progress towards achieving parity between intrastate long distance rates and interstate long distance rates. Under either approach, the annual report must include a schedule showing the change in dollars and minutes of intrastate long distance from year to year segregated between intrastate residential long distance and intrastate business long distance.

(c) If an interexchange carrier does not make reasonable progress toward the goal of reducing intrastate long distance rate schedules and plans to interstate levels, each customer bill that includes a rate that does not represent reasonable progress will be considered a separate violation of (a) of this section and subject to civil penalties under AS 42.05.571.

(d) For purposes of this section, the joint report submitted to the commission on December 13, 2001 in Docket R-01-1, *In the Matter of the Consideration of Reform of Intrastate Interexchange Access Charge Rules*, is adopted by reference. (Eff. 7/31/2011, Register 199)

Authority:	AS 42.05.141	AS 42.05.321	AS 42.05.571
	AS 42.05.145	AS 42.05.381	AS 42.05.581
	AS 42.05.151	AS 42.05.391	AS 42.05.611
	AS 42.05.311	AS 42.05.431	AS 42.05.840

Chapter 53. Telecommunications.

Article

2. Alternative Dispute Resolution Procedures for Telecommunications Carrier Disputes (3 AAC 53.180)
4. Local Exchange Competition (3 AAC 53.200 — 3 AAC 53.299)
5. Universal Service Fund (3 AAC 53.300 — 3 AAC 53.399)
6. Eligible Telecommunications Carrier Designation (3 AAC 53.400 — 3 AAC 53.499)

Article 2. Alternative Dispute Resolution Procedures for Telecommunications Carrier Disputes.

Section

180. (Repealed)

3 AAC 53.180. Alternative dispute resolution procedures for telecommunications carrier disputes. Repealed. (Eff. 9/1/2002, Register 163; repealed 8/31/2008, Register 187)

Article 4. Local Exchange Competition.

Section

265. Local exchange carriers of last resort
290. Miscellaneous provisions

Section

299. Definitions

3 AAC 53.265. Local exchange carriers of last resort. (a) A local exchange carrier that is designated as a carrier of last resort

(1) shall provide and maintain adequate, efficient, and safe facilities-based essential retail and carrier-to-carrier telecommunication services of similar quality throughout its carrier of last resort area; and

(2) may not allow any diminution of quality or availability of essential retail and carrier-to-carrier telecommunication services throughout its carrier of last resort area after designation.

(b) The commission will not designate a carrier of last resort in a study area that is not served by a rural telephone company as defined in 47 U.S.C. 153(37). The commission will designate one carrier of last resort for each carrier of last resort area that is in the study area of a rural telephone company as defined in 47 U.S.C. 153(37). Absent a request under (q) of this section, the carrier of last resort area is the same area as the incumbent local exchange carrier's study area.

(c) In a study area that does not include a competitive local exchange market, the incumbent local exchange carrier is designated the carrier of last resort, without the need to file a petition under this section, unless otherwise ordered by the commission.

(d) In a carrier of last resort area identified in (b) of this section that includes one or more competitive local exchange markets, the commission will, by order, designate the incumbent local exchange carrier as the temporary carrier of last resort until the commission selects a permanent carrier of last resort. Upon designation of a temporary

carrier of last resort, the commission will open a docket of investigation on its own motion and will, for a period of 30 days, invite notices of intent to file petitions from parties seeking permanent carrier of last resort status for that study area. The designation of a carrier as a temporary carrier of last resort is not a factor in the decision the commission makes on selection of a permanent carrier of last resort in the event of competing applications. If a temporary carrier of last resort is the only carrier to file a notice of intent to file a petition seeking permanent carrier of last resort status, the petition for permanent carrier of last resort status must include the information in (o) of this section. If more than one carrier files a notice of intent, or if a carrier other than the temporary carrier of last resort is the only carrier to file a notice of intent, a petition filed by a carrier for permanent carrier of last resort status must include the information in (p) of this section. If no carrier files a petition to be the permanent carrier of last resort, the commission will, absent a determination of good cause to the contrary, select the temporary carrier as the permanent carrier of last resort.

(e) If the permanent carrier of last resort is unable to perform the duties of a local exchange carrier of last resort for a particular portion of a carrier of last resort area or throughout the carrier of last resort area, the commission may require a carrier that is not the carrier of last resort to act as the emergency carrier of last resort for essential retail and carrier-to-carrier services. The commission may limit the essential retail services the emergency carrier of last resort must provide. During the period of designation, the emergency carrier of last resort shall receive proportionately the identical level of Alaska Universal Service Fund support as the permanent carrier of last resort receives under 3 AAC 53.350, based on the ratio of the number of retail lines served by the emergency carrier of last resort to the total number of retail lines in the carrier of last resort area. However, if the commission determines that the average cost per line of lines served by the emergency carrier of last resort is materially different from the average cost per line of lines served by the permanent carrier of last resort, the commission may apply an appropriate weighting factor to the support computation. During the period when an emergency carrier of last resort is designated, the permanent carrier of last resort's Alaska Universal Service Fund support shall be reduced by the amount that the emergency carrier of last resort receives under 3 AAC 53.350.

(f) Designation as temporary carrier of last resort under (d) of this section or designation as an emergency carrier of last resort under (e) of this section may not exceed a period of 36 months, unless extended by the commission, after notice, for good cause.

(g) A local exchange carrier of last resort shall provide essential retail and carrier-to-carrier services throughout its carrier of last resort area without reliance on any other carrier network, if all other

carriers operating in the area leave the market. However, nothing in this subsection prohibits a local exchange carrier of last resort from continuing to rely on the facilities of an affiliate or other third party that it has historically used to provide essential retail and carrier-to-carrier services in a discrete portion of its carrier of last resort area. Notwithstanding the requirements of this subsection, the commission may allow, after notice and an opportunity for hearing, a local exchange carrier of last resort or carrier of last resort applicant to fulfill its carrier of last resort responsibilities to cover a discrete portion of a carrier of last resort area with facilities owned by a third party or an affiliate, if

(1) essential retail and carrier-to-carrier services have not historically been provided to the specific area through wireline facilities;

(2) the third-party or affiliate facilities are able to provide essential retail and carrier-to-carrier services in accordance with the requirements of this section;

(3) a contract exists between the local exchange carrier of last resort and the third party or affiliate to provide essential retail and carrier-to-carrier services in accordance with the requirements of this section, and to maintain the facilities to the extent necessary for the local exchange carrier of last resort to meet its carrier of last resort responsibilities and at a similar level of quality as available in the remainder of the study area; and

(4) provision of carrier of last resort service using third-party or affiliate facilities is consistent with the public interest.

(h) Notwithstanding (g) of this section, the commission, for good cause and after notice and an opportunity for hearing, may revoke a local exchange carrier of last resort's ability to meet its carrier of last resort responsibilities using the facilities of a third party or an affiliate, and may require a carrier of last resort to provide service by another means.

(i) A local exchange carrier of last resort shall offer each of the following essential retail services using its own facilities within each exchange of its carrier of last resort area and as part of any extended area service arrangement:

(1) two-way, voice grade access to the public switched network;

(2) unlimited local calling;

(3) dual-tone multi-frequency signaling or its functional equivalent;

(4) single-party service or its functional equivalent;

(5) private line service or its functional equivalent;

(6) access to emergency services;

(7) access to operator services;

(8) access to interexchange services;

(9) special access;

(10) access to directory assistance;

(11) toll-blocking limitation for qualifying low-income customers;

- (12) lifeline and link up services;
- (13) special construction;
- (14) provision of service to subdivisions;
- (15) line extension services;
- (16) substitute services to the customers of a failing competitor, if directed by the commission;
- (17) other services that the commission determines to be in the public interest.

(j) A local exchange carrier of last resort shall offer, upon reasonable request, each of the following essential carrier-to-carrier services within each exchange of its carrier of last resort area and as part of any extended area service arrangement:

- (1) local private line service, or its functional equivalent;
- (2) intrastate access services;
- (3) interstate access services;
- (4) resale of retail services;
- (5) other services as may be required under federal law or by the commission, after notice and an opportunity for hearing.

(k) A local exchange carrier of last resort shall have a line extension policy in its effective tariff or, in the case of a carrier of last resort not subject to economic regulation by the commission, approved by its governing body. The carrier's line extension policy

- (1) may not unduly discourage customers from obtaining service;
- (2) may not unduly impact existing customers for the cost of serving prospective remotely located customers; and
- (3) must adequately take into consideration universal service support payments to the carrier, including the potential for cost of construction to be paid in part or in whole through universal service support.

(l) Notwithstanding (k) of this section, a local exchange carrier of last resort may not charge a line extension fee to a customer where a line extension would be reasonably profitable without a line extension fee and taking into consideration universal service support payments to the carrier.

(m) No later than 14 business days after denying a request for service, a local exchange carrier of last resort shall submit, to the commission's staff with oversight of consumer protection, a report regarding the denial of the request for service. The report must include

- (1) a detailed explanation of why the service request was determined unreasonable; and
- (2) a preliminary cost estimate if the service request was for a line extension.

(n) After designating a permanent carrier of last resort under (d) of this section, the commission may, upon petition or its own motion, after notice and an opportunity for hearing, withdraw a carrier's permanent carrier of last resort designation and reassign it to a carrier that is an eligible telecommunications carrier in the carrier of last resort area, if

- (1) the commission finds that
 - (A) the current carrier of last resort
 - (i) is financially or technically unable to provide carrier of last resort services in a carrier of last resort area; or
 - (ii) has failed to provide all required essential retail and carrier-to-carrier services throughout the carrier of last resort area; and
 - (B) withdrawal is in the public interest; or
- (2) an alternative carrier petitions under (r) of this section to replace the designated carrier of last resort and the commission approves the petition.
- (o) If a temporary carrier of last resort is the only carrier to file a notice of intent under (d) of this section, a petition filed by a temporary carrier of last resort proposing to be designated as permanent carrier of last resort must include
 - (1) the petitioning carrier's legal name, name under which business is conducted, and address;
 - (2) the name, title, and telephone number of the individual who is the liaison with the commission regarding the request;
 - (3) a description of the proposed carrier of last resort area; and
 - (4) a sworn statement by an officer of the carrier that the carrier fulfills all of the requirements imposed under this section on a local exchange carrier of last resort and that the carrier will continue to fulfill those requirements.
- (p) If more than one carrier files a notice of intent under (d) of this section, or if a carrier other than the temporary carrier of last resort is the only carrier to file a notice of intent under (d) of this section, a petition filed by a carrier proposing to be designated as carrier of last resort must include
 - (1) the petitioning carrier's legal name, name under which business is conducted, and address;
 - (2) the name, title, and telephone number of the individual who is the liaison with the commission regarding the request;
 - (3) a legal description by township and range of the proposed carrier of last resort area;
 - (4) one or more maps of the proposed carrier of last resort area in sufficient geographic detail to confirm the legal description in township and range of the proposed carrier of last resort area, or a statement that those maps are on file with the commission as they are identical to the incumbent carrier's certificated service area; if the incumbent carrier is the incumbent for more than one study area per certificated service area, the petitioning carrier must clearly identify the proposed carrier of last resort area;
 - (5) a map of the carrier's network and verification that services are provided over the carrier's own facilities, with the map showing the proposed carrier of last resort area boundary;
 - (6) a description of the carrier's major network facilities by exchange within the proposed carrier of last resort area;

(7) a demonstration that the petitioning carrier

(A) occupies, in the market for local telephone exchange service within the carrier of last resort area under petition, a position that is comparable to the position occupied by the existing carrier of last resort; and

(B) can provide the essential retail and carrier-to-carrier services required of a local exchange carrier of last resort upon designation or with minimal facility upgrade;

(8) a demonstration that the petitioning carrier is committed and able to meet the requirements imposed under this section on a local exchange carrier of last resort in the proposed carrier of last resort area upon designation or with minimal facility upgrade; and

(9) an explanation why granting the petition for carrier of last resort status

(A) is consistent with the public interest and with public convenience and necessity; and

(B) advances universal service principles under 47 U.S.C. 254(b) based on the ubiquity of service, quality of service, extent to which the petitioning carrier relies on the facilities of another carrier, cost of operating the petitioning carrier's network, and other relevant factors.

(q) A petitioning carrier may petition for a carrier of last resort area that is less than the temporary or permanent carrier of last resort's entire study area, but not including partial exchanges, if the temporary or permanent carrier of last resort has disaggregated its federal high-cost support under 47 C.F.R. 54.315 and has deaveraged its local or access rates. The petitioning carrier must show that designating an area that is less than the entire study area is in the public interest and advances universal service principles under 47 U.S.C. 254(b).

(r) The commission will accept a petition under (n)(2) of this section to replace the permanent carrier of last resort only after the carrier of last resort has been so designated for a period of five years. A carrier must file, 90 days before filing that petition, a notice of intent to file a petition to replace the permanent carrier of last resort. The commission will issue a notice of the filing of a notice of intent to file a petition, and will set deadlines for comments.

(s) The commission will open an investigation on its own motion if it receives a petition filed under (r) of this section. In the initiating order, the commission will

(1) invite the existing carrier of last resort to file a competing petition to remain the carrier of last resort for that carrier of last resort area;

(2) invite other carriers wishing to be designated as a carrier of last resort to file competing petitions to become the carrier of last resort for that carrier of last resort area;

(3) establish a deadline for the filing under (1) and (2) of this subsection of competing petitions; those petitions must include the information required under (p) of this section; and

(4) provide an opportunity for the petitioning carrier to update, on or before the deadline set under (3) of this subsection, the information filed in the carrier's petition.

(t) A petition by a carrier of last resort to discontinue, suspend, abandon, or diminish the quality of essential retail and carrier-to-carrier services in any portion of its carrier of last resort area must

(1) include a plan to transfer customers to another carrier that is fit, willing, and capable of functioning as a local exchange carrier of last resort in that portion of the carrier of last resort area or a demonstration that continued service to that portion of the carrier of last resort area is no longer in the public interest;

(2) include a demonstration of why the relief requested is in the public interest and will not result in a diminution of essential retail and carrier-to-carrier services to the public;

(3) be filed at least six months before the date proposed for the discontinuance, suspension, abandonment, or diminution, if another facilities-based carrier is fit, willing, and capable of immediately serving the exiting carrier's customer base; and

(4) be filed at least 18 months before the date proposed for the discontinuance, suspension, abandonment, or diminution, if no other facilities-based carrier is fit, willing, and capable of immediately serving the exiting carrier's customer base.

(u) A local exchange carrier of last resort may not discontinue, suspend, abandon, or diminish the quality of essential retail and carrier-to-carrier services in any portion of its carrier of last resort area until

(1) the commission finds that the public interest requires the modification, termination, or transfer of the carrier of last resort designation;

(2) the commission has designated, by order, an alternative carrier of last resort, if necessary to ensure continued carrier of last resort service;

(3) the alternative carrier of last resort is meeting, throughout the carrier of last resort area, the requirements imposed under this section on a local exchange carrier of last resort, including provision of essential retail and carrier-to-carrier services; and

(4) the commission issues an order withdrawing carrier of last resort status.

(v) Nothing in this section relieves a carrier from compliance with the requirements of AS 42.05. (Eff. 7/31/2011, Register 199)

Authority: AS 42.05.141 AS 42.05.261 AS 42.05.291
AS 42.05.145 AS 42.05.271 AS 42.05.301
AS 42.05.151

3 AAC 53.290. Miscellaneous provisions. (a) Except as provided in 3 AAC 48.440 and the *Alaska Intrastate Interexchange Access Charge Manual*, adopted by reference in 3 AAC 48.440, the provisions of

(1) 3 AAC 48.275 do not apply to those services for which the carrier is a nondominant carrier;

(2) 3 AAC 48.230 do not apply to a local exchange carrier; however, the commission may require changes to a local exchange carrier's billing and contract form if that form is confusing or misleading to customers or is contrary to the public interest; and

(3) 3 AAC 48.277 and 3 AAC 48.430

(A) do not apply to a local exchange carrier

(i) after its application for certification to provide local exchange telephone service in competition to an existing local exchange carrier is granted; or

(ii) for services in an area designated by the commission as a competitive local exchange market; and

(B) apply, notwithstanding (A) of this paragraph, to a local exchange carrier whose

(i) costs are used as the basis for determining intrastate access charge rate caps; or

(ii) costs or rates are used as the basis for determining state universal service support under 3 AAC 53.300 — 3 AAC 53.399, excluding the lifeline program.

(b) The provisions of 3 AAC 48.275(a) do not apply to the dominant carrier for rate decreases, new services, and repackaging of existing services.

(c) Repealed 7/31/2011.

(d) The provisions of 3 AAC 53.190 govern the reassignment of a subscriber's access line or lines to a different local exchange carrier.

(e) No implicit modification or waiver of any statutory or regulatory requirements is intended by 3 AAC 53.200 — 3 AAC 53.299 for either dominant or nondominant carriers. Absent specific modification or waiver, all statutory and regulatory requirements remain in effect for both dominant and nondominant carriers.

(f) Unless otherwise provided in 3 AAC 53.243, a local exchange carrier shall publish a public notice of all proposed tariff revisions in a local, general circulation newspaper no later than three days after filing it with the commission. The public notice must contain a general description of the filing that is accurate, written in plain English, and sufficient to alert consumers of tariff revisions that may affect either the rules or rates applicable to them. The notice must include sentences containing the following information: the date the utility made or will make its filing with the commission; the date the revisions are expected to become effective; and a statement that both the proposed revisions and the utility's current tariff are available for review at the utility's office for which an address and office hours are provided. The

notice must contain sentences similar to the following: "Any person may file comments on this tariff revision with the Regulatory Commission of Alaska (address). To assure that the commission has sufficient time to consider the comments before the revisions take effect, (utility name) suggests that you file comments no later than (a specific date, not a weekend or holiday, approximately 7-10 days before the filing takes effect)."

(g) Where all necessary facilities and equipment are in place, a local exchange carrier shall complete the transfer of a customer to another local exchange carrier within seven working days of receiving a valid order for transfer of service.

(h) The provision of 3 AAC 48.270(a) that requires the filing of the estimated number of customers or shippers who will be affected by each separate schedule listed and the estimated annual revenues under both the existing and proposed rates does not apply to a retail service offering of a local exchange carrier unless the carrier proposes to discontinue or increase the rates for a service. However, the commission may require a local exchange carrier filing a tariff under 3 AAC 53.240 to provide that information after the carrier submits its tariff proposal.

(i) On or before March 31 of each year, a local exchange carrier shall file a financial report of the carrier's operations in the state for the previous calendar year. The carrier's out-of-state operations must be excluded from the financial report. The carrier's financial report must include the following detailed information regarding its local exchange operations:

- (1) gross revenue;
- (2) sale for resale revenue;
- (3) access charge revenue;
- (4) billing and collection revenue; and
- (5) directory assistance revenue.

(j) If the commission, by order, finds that an exchange is no longer served by multiple certificated facilities-based local exchange carriers, the remaining certificated facilities-based local exchange carrier shall be a dominant carrier for all retail services and shall also be the carrier of last resort. The provisions of 3 AAC 48.230, 3 AAC 48.275, 3 AAC 48.277, and 3 AAC 48.430 apply to the remaining certificated facilities-based local exchange carrier. The provisions of 3 AAC 53.240 and 3 AAC 53.243 no longer apply to the remaining certificated facilities-based local exchange carrier. The commission will determine, upon petition or on its own motion, whether the exchange remains a competitive local exchange market. (Eff. 6/21/98, Register 146; am 11/11/2001, Register 160; am 4/24/2004, Register 170; am 9/16/2005, Register 175; am 7/31/2011, Register 199)

Authority: AS 42.05.141 AS 42.05.221 AS 42.05.711
AS 42.05.151 AS 42.05.241 AS 42.05.990

3 AAC 53.299. Definitions. In 3 AAC 53.200 — 3 AAC 53.299, unless the context requires otherwise,

(1) “access to directory assistance” means access to a service that includes making available to customers, upon request, information contained in directory listings;

(2) “access to emergency services” includes access to 911 and enhanced 911 services to the extent that, in a carrier of last resort area, a local government or other public safety organization has implemented 911 or enhanced 911 service; in this paragraph,

(A) “911” means a service that permits a telecommunications user, by dialing the three-digit code “911,” to call emergency services through a public service access point operated by the local government or other public safety organization;

(B) “enhanced 911” means 911 service that includes the ability to provide

(i) automatic numbering information to enable the public service access point to call back if the call is disconnected; and

(ii) automatic location information to permit emergency service providers to identify the geographic location of the calling party;

(3) “access to interexchange services” means the use of the loop, as well as that portion of the switch that is paid for by the end user, or the functional equivalent of these network elements in the case of a wireless carrier, that are necessary to access an interexchange carrier’s network;

(4) “access to operator services” means access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call;

(5) “affiliate” has the meaning given “affiliated interest” in AS 42.05.990;

(6) “bundled service” means an offering combining two or more services, one of which is local service, for a package price that may include a discount or some other benefit; “bundled service” does not include a combination of local service offerings at a package price;

(7) “business day” means a day other than Saturday, Sunday, or a state holiday;

(8) “carrier of last resort area” means the geographic area for which a local exchange carrier is designated a carrier of last resort;

(9) “commission” means the Regulatory Commission of Alaska;

(10) “control” by a carrier refers to the ability of the carrier or its affiliate to direct the use of facilities regardless of whether the carrier directly owns the facilities;

(11) “customer connection” means any connection used to provide local exchange service; “customer connection”

(A) includes

(i) a line sold to another carrier that uses the line to provide service to a residential or business customer through total service resale; and

(ii) each voice line equivalent, if a line is used to provide multiple communication channels to a residential or business customer and is weighted based on the line's voice line equivalent weighting used by a carrier for network access fees; and

(B) does not include lines sold as unbundled network element loops;

(12) "dominant carrier" means a local exchange carrier that the commission designates under 3 AAC 53.220 as a dominant carrier for a service;

(13) "dual-tone multi-frequency signaling or its functional equivalent" means a method of signaling that facilitates the transportation of signaling through the network, shortening call set-up time;

(14) "economic regulation" has the meaning given in 3 AAC 48.820;

(15) "eligible telecommunications carrier" means a carrier that is designated as an eligible telecommunications carrier by the commission under 47 U.S.C. 214(e) and 3 AAC 53.400 — 3 AAC 53.499;

(16) "exchange" or "local exchange" has the meaning given in 3 AAC 48.820;

(17) "incumbent carrier" means the telephone utility, or its successor, certificated to provide local exchange telephone service within its service area as of February 8, 1996;

(18) "interexchange carrier" means a carrier certificated by the commission to provide intrastate interexchange telephone service;

(19) "lifeline" has the meaning given in 47 C.F.R. 54.401;

(20) "line extension" has the meaning given in 3 AAC 48.820;

(21) "link up" has the meaning given in 47 C.F.R. 54.411;

(22) "local exchange carrier" means a local exchange telephone utility certificated to provide local exchange telephone service;

(23) "noncompetitive areas" means one or more areas that are not designated as a competitive local exchange market;

(24) "nondominant carrier" means a local exchange carrier other than a dominant carrier;

(25) "private line" means a service that provides dedicated circuits, predefined transmission paths, whether virtual or physical, or equivalent arrangements that allow for the provision of communications between predetermined specific customer locations;

(26) "recorded authorization" means a voice communication that clearly grants the authority to transfer a customer's local exchange service from one local exchange carrier to another and that may be accurately retrieved for later review;

(27) "single-party service or its functional equivalent" means telecommunications service that permits users to have

(A) exclusive use of a wireline subscriber loop or access line for each call placed; or

(B) in the case of wireless telecommunications carriers, a dedicated message path for the length of a user's particular transmission;

(28) "special access" has the meaning given in section 801(ff) of the *Alaska Intrastate Interexchange Access Charge Manual*, adopted by reference in 3 AAC 48.440;

(29) "special construction" means one or more of the following types of construction:

(A) construction of facilities to provide services or channels for the customer when there is no other requirement for the facilities so constructed;

(B) construction of channel facilities of a type other than that which the carrier would otherwise utilize in order to provide services or channels for the customer;

(C) construction of facilities to meet requirements specified by the customer that involves a route other than that which the carrier would normally utilize in order to provide services or channels;

(30) "study area" has the meaning given in 3 AAC 53.499;

(31) "toll-blocking limitation for qualifying low-income customers" has the meaning given "toll limitation for qualifying low-income consumers" in 47 C.F.R. 54.101(a);

(32) "unaffiliated" means not an affiliate;

(33) "voice grade access to the public switched network" means a functionality

(A) that enables a user of telecommunications services to

(i) transmit voice communications, including signaling the network that the caller wishes to place a call; and

(ii) receive voice communications, including receiving a signal indicating there is an incoming call; and

(B) with a minimum bandwidth of 300 — 3,000 Hertz. (Eff. 6/21/98, Register 146; am 4/24/2004, Register 170; am 8/27/2004, Register 171; am 9/16/2005, Register 175; am 7/31/2011, Register 199)

Authority: AS 42.05.141 AS 42.05.151 AS 42.05.800
AS 42.05.145 AS 42.05.291 AS 42.05.990

Article 5. Universal Service Fund.

Section	Section
320. Budget approval; administrative costs	350. Disbursements of the AUSF
340. Universal service surcharge	399. Definitions
345. Local exchange carrier of last resort support and rate cap increase	

3 AAC 53.320. Budget approval; administrative costs. (a) In order to meet the requirements of AS 42.05.800 — AS 42.05.890, the budget for administrative costs, including compensation of the administrator, must be approved by the commission.

(b) No later than October 1 of each year, the administrator shall submit the proposed budget described in (a) of this section to the commission for approval for the following year.

(c) The commission will only approve the proposed budget described in (a) of this section, if the commission finds that the proposed budget is reasonable and in the public interest.

(d) To maintain approval of the budget by the commission, payment for the administrator's compensation may not exceed the amount specified in the budget approved by the commission.

(e) The administrative costs approved by the commission shall be included, along with the estimated amount of universal service support disbursement from the AUSF, in the calculation of the universal service surcharge factor described in 3 AAC 53.340. (Eff. 1/10/99, Register 149; am 7/31/2011, Register 199)

Authority: AS 42.05.141	AS 42.05.431	AS 42.05.800
AS 42.05.145	AS 42.05.711	AS 42.05.840
AS 42.05.151		

3 AAC 53.340. Universal service surcharge. (a) A public utility that provides intrastate telecommunications service to the public, or to those classes of users as to be effectively available to the public for a fee, shall pay a universal service surcharge to the AUSF. The public utility must pay the surcharge on its annual gross revenues that are generated from end users on the following intrastate telecommunications services and charges:

- (1) cellular telephone and paging services;
- (2) mobile radio services;
- (3) operator services;
- (4) personal communications services (PCS);
- (5) special access service;
- (6) wide area telecommunications service (WATS);
- (7) toll-free service;
- (8) 900 service;
- (9) message telephone service (MTS);
- (10) private line service;
- (11) telex;
- (12) telegraph;
- (13) video services;
- (14) satellite service;
- (15) resale of intrastate services;
- (16) pay phone services;
- (17) local exchange services;
- (18) the network access fee assessed on end users in accordance

with section 109 of the *Alaska Intrastate Interexchange Access Charge Manual*, adopted by reference in 3 AAC 48.440.

(b) Notwithstanding (a) of this section, a public utility providing intrastate telecommunications services in the form of open video systems (OVS), cable leased access, or direct broadcast satellite (DBS) services is not required to pay the universal service surcharge.

(c) A public utility providing a service for which a universal service surcharge payment is due shall provide to the administrator a verified accounting of its annual gross revenues from intrastate end users. The accounting shall be submitted on a form designated by order of the commission as the AUSF Worksheet. The public utility shall submit the completed AUSF Worksheet to the administrator twice a year. The first AUSF Worksheet is due March 31 of each year, containing data for the prior calendar year. The second AUSF Worksheet is due September 1, of each year, containing data for the six-month period from January 1 through June 30 for the current calendar year. If a public utility's payments to the AUSF in a calendar year would be less than \$100, that public utility is not required to submit a payment or the AUSF Worksheets for that calendar year, unless the public utility has received universal service support from the AUSF in that calendar year.

(d) By October 1 of each year, the administrator shall calculate a proposed budget for the estimated total amount of the universal service support payment that will be needed from the AUSF for the following calendar year and for the administrative costs anticipated to be approved by the commission. The administrator shall recommend the annual universal service surcharge factor for the following year to cover the proposed budget. The universal service surcharge factor is calculated based on the ratio of the total estimated amount of disbursements for the AUSF to the total annual gross revenues from intrastate end users subject to the universal service surcharge. The administrator shall recommend to the commission adjustments to the universal service surcharge factor on a quarterly basis, as necessary, as described in 3 AAC 53.330. The recommended universal service surcharge factor and adjustments must be approved by the commission, before implementation by the administrator.

(e) A public utility subject to the universal service surcharge under this section shall remit its monthly universal service surcharge payment to the administrator of the AUSF within 15 days after the end of each calendar month.

(f) The administrator must hold universal service surcharge payments required from the AUSF in excess of disbursements for a current month in a low-risk interest bearing account and use the excess for disbursements under 3 AAC 53.300 — 3 AAC 53.399 in a following month. (Eff. 1/10/99, Register 149; am 1/30/99, Register 149; am 7/31/2011, Register 199)

Authority: AS 42.05.141 AS 42.05.431 AS 42.05.800
AS 42.05.145 AS 42.05.711 AS 42.05.840
AS 42.05.151

3 AAC 53.345. Local exchange carrier of last resort support and rate cap increase. (a) Except as provided in (h) of this section, if a local exchange carrier is designated, under 3 AAC 53.200 — 3 AAC 53.299, a carrier of last resort, and if that carrier is a nonpooling company, the carrier is eligible for carrier of last resort support from the AUSF to offset the shortfall in carrier common line (CCL) revenue below the carrier of last resort's supported CCL revenue requirement. If the carrier of last resort is a nonpooling company, but was previously a pooling company, the supported CCL revenue requirement for the carrier is the CCL revenue requirement from which the carrier's CCL rate cap was determined. If the carrier is a nonpooling company, and was not previously a pooling company,

(1) the carrier must support the proposed supported CCL revenue requirement with a filing

(A) in accordance with the *Alaska Intrastate Interexchange Access Charge Manual*, adopted by reference in 3 AAC 48.440; and

(B) submitted with the carrier's first tariff filing for carrier of last resort support under (c) of this section; and

(2) the supported CCL revenue requirement for the carrier may not exceed, on a per-line basis, the CCL revenue requirement of a carrier of last resort that is a nonpooling company, but that was previously a pooling company.

(b) A local exchange carrier of last resort that is a nonpooling company, that faces local exchange competition, and that has a CCL rate cap less than the network access fee (NAF) established under section 109 of the *Alaska Intrastate Interexchange Access Charge Manual*, adopted by reference in 3 AAC 48.440, is eligible for an increase in the carrier's CCL rate cap for the sole purpose of increasing the carrier's NAF rate up to the currently effective NAF limit so as to allow additional NAF revenues to offset, in whole or in part, the shortfall in CCL revenue below the supported CCL revenue requirement. The supported CCL revenue requirement is not changed even though a carrier is eligible for a CCL rate cap increase under this subsection.

(c) A local exchange carrier of last resort seeking to initiate, renew, or modify its total carrier of last resort support amount, or to increase a CCL rate cap as provided under (b) of this section, must submit a tariff advice letter in accordance with 3 AAC 48.220, 3 AAC 48.240, and 3 AAC 48.270.

(d) The carrier of last resort support amount approved by the commission under this section remains in effect for one year and will not be automatically renewed.

(e) A tariff filing under (c) of this section must specify the CCL rate cap increase, the NAF rate change, and the carrier of last resort

support amount being sought, and must provide a calculation of the shortfall in CCL revenue below the carrier of last resort's supported CCL revenue requirement. The shortfall in CCL revenue is determined by subtracting the carrier of last resort's combined CCL revenue from the carrier of last resort's supported CCL revenue requirement. The combined CCL revenue is the carrier of last resort's annualized revenue from the NAF and the CCL rate element, determined by multiplying the revenue generated for a recent three-month period by four. The calculation must impute any increase in NAF revenue associated with a proposed increase in the NAF rate for purposes of determining the proposed carrier of last resort support.

(f) If a local exchange carrier of last resort has a CCL rate cap greater than or equal to the NAF established under section 109 of the *Alaska Intrastate Interexchange Access Charge Manual*, adopted by reference in 3 AAC 48.440, the carrier of last resort shall receive carrier of last resort support equal to the shortfall calculated under (e) of this section.

(g) If a local exchange carrier of last resort has a CCL rate cap less than the NAF established under section 109 of the *Alaska Intrastate Interexchange Access Charge Manual*, adopted by reference in 3 AAC 48.440, the CCL rate cap and NAF for the carrier of last resort shall be increased up to the currently effective NAF limit, to the extent necessary to recover the shortfall. If any shortfall remains after the increase to the CCL rate cap, the carrier of last resort shall receive carrier of last resort support equal to the remaining shortfall.

(h) Notwithstanding (a), (b), (f), and (g) of this section or the provisions of 3 AAC 53.265, the commission upon a petition or on its own motion may withdraw carrier of last resort status or may terminate carrier of last resort support provided to a local exchange carrier serving a portion or all of the study area if the commission determines after notice and hearing that a local exchange carrier of last resort is no longer needed in that area due to competitive market conditions or other relevant factors.

(i) After investigation and opportunity for hearing, the commission may reduce a carrier's carrier of last resort support

(1) if all or a part of the support is being used for an unreasonable purpose;

(2) if federal support becomes available that fills the same or a similar purpose as carrier of last resort support; or

(3) for good cause.

(j) In this section,

(1) "CCL" means carrier common line;

(2) "NAF" means network access fee. (Eff. 7/31/2011, Register 199)

Authority: AS 42.05.141	AS 42.05.311	AS 42.05.431
AS 42.05.145	AS 42.05.321	AS 42.05.830
AS 42.05.151	AS 42.05.381	AS 42.05.840
AS 42.05.291		

3 AAC 53.350. Disbursements of the AUSF. (a) The administrator shall disburse on a monthly basis money approved by the commission from the AUSF for universal service support eligible in the current month for

- (1) dial equipment minute (DEM) weighting;
- (2) lifeline program;
- (3) public interest pay telephones designated under 3 AAC 53.740 — 3 AAC 53.799;
- (4) local exchange carrier of last resort support; and
- (5) carrier common line support provided under (c) of this section and under sections 104 and 105 of the *Alaska Intrastate Interexchange Access Charge Manual*, adopted by reference in 3 AAC 48.440.

(b) The commission will determine the universal service support required for the DEM weighting for a pooling company as part of the annual access charge process for a pooling company. The universal service support required for DEM weighting for an eligible nonpooling company is determined at the time that the eligible nonpooling company exits the pool and is based upon that company's most recent access revenue requirement. The administrator shall make a disbursement of universal service support for DEM weighting monthly to each eligible nonpooling company. The administrator shall disburse to a pooling company one-twelfth of its universal service support for DEM weighting each month. The administrator shall calculate and disburse the amount of universal service support for DEM weighting for a nonpooling company by distributing to each eligible telecommunications carrier within a study area the proportionate share of the universal service support for DEM weighting for that study area based upon the telecommunications carrier's percentage of reported number of access lines for that study area for that month.

(c) The administrator shall provide support to reduce the intrastate carrier common line access charge rate element. The administrator shall provide support in an amount sufficient to reduce the carrier common line charge to zero. The support shall be provided directly on a monthly basis to the local exchange carrier.

(d) The administrator shall provide support for the lifeline program in an amount sufficient to maximize the federal contribution for the lifeline program. The administrator shall disburse each month to each eligible telecommunications carrier an amount equal to the necessary state contribution per line times the monthly number of qualifying local customers in the lifeline program.

(e) In the case of a shortage in the AUSF in a particular month, the administrator shall disburse the AUSF in the following order of priority:

- (1) administrative costs;
- (2) universal service support eligible in a prior month but not paid in that month;
- (3) universal service support eligible in a current month for the lifeline program;
- (4) universal service support eligible in a current month for local exchange carrier of last resort support;
- (5) universal service support eligible in a current month to reduce the carrier common line rate element paid by interexchange carriers;
- (6) universal service support eligible in a current month for public interest pay telephones designated under 3 AAC 53.740 — 3 AAC 53.799;
- (7) universal service support eligible in a current month for dial equipment minute (DEM) weighting.

(f) Money for public interest pay telephones designated under 3 AAC 53.740 — 3 AAC 53.799 must be disbursed as provided in 3 AAC 53.760. (Eff. 1/10/99, Register 149; am 1/11/2001, Register 157; am 7/31/2011, Register 199)

Authority:	AS 42.05.141	AS 42.05.431	AS 42.05.800
	AS 42.05.145	AS 42.05.711	AS 42.05.840
	AS 42.05.151		

3 AAC 53.399. Definitions. Unless the context indicates otherwise, in 3 AAC 53.300 — 3 AAC 53.399

- (1) “administrator” means the applicant approved by the commission under 3 AAC 53.310 to serve as administrator of AUSF;
- (2) “AUSF” means the Alaska Universal Service Fund;
- (3) “eligible telecommunications carrier” means a telecommunications utility eligible under 47 U.S.C. 214(e) of the Federal Communications Act, as amended by the Telecommunications Act of 1996 (P.L. 104-104);
- (4) “lifeline” has the same meaning as set out in 47 C.F.R. 54.401;
- (5) “nonpooling company” means a company that is not a participant in the access charge pool established by the Alaska Intrastate Interexchange Access Charge Manual adopted by reference in 3 AAC 48.440;
- (6) “pooling company” means a company that is a participant in the access charge pool established by the Alaska Intrastate Interexchange Access Charge Manual adopted by reference in 3 AAC 48.440;
- (7) “universal service surcharge” or “surcharge” means a rate paid by a public utility for the use of the public telecommunications network;
- (8) “link up” has the same meaning as set out in 47 C.F.R. 54.411;
- (9) “exchange” or “local exchange” has the same meaning given in 3 AAC 48.820;
- (10) “local exchange carrier” has the meaning given in 3 AAC 53.299;

(11) "study area" has the meaning given in 3 AAC 53.499. (Eff. 1/10/99, Register 149; am 1/28/2005, Register 173; am 7/31/2011, Register 199)

Authority: AS 42.05.141 AS 42.05.431 AS 42.05.800
AS 42.05.145 AS 42.05.711 AS 42.05.840
AS 42.05.151

Editor's note: A copy of 47 C.F.R. 54.401 and 47 C.F.R. 54.411, as specified in 3 AAC 53.399; is available for inspection at the office of the Regulatory Commission of Alaska as specified in 3 AAC 48.010(a).

Article 6. Eligible Telecommunications Carrier Designation.

Section	Section
400. Applicability, finding, purpose, and waiver	450. Consumer protection and service quality
410. Designation of eligible telecommunications carriers	460. Reporting requirements
420. Deployment plan	470. Audits
430. Request to redefine service area	480. Revocation, suspension, or modification of designation as an eligible telecommunications carrier
440. Procedural requirements for requests for eligible telecommunications carrier designation	499. Definitions

3 AAC 53.400. Applicability, finding, purpose, and waiver.

(a) The provisions of 3 AAC 53.400 — 3 AAC 53.499 apply to a common carrier seeking to obtain or maintain designation as an eligible telecommunications carrier under 47 U.S.C. 214(e)(2).

(b) The purpose of 3 AAC 53.400 — 3 AAC 53.499 is to establish requirements for a common carrier requesting or seeking to maintain designation as an eligible telecommunications carrier in the state.

(c) For good cause shown, the commission by order may waive any portion of 3 AAC 53.400 — 3 AAC 53.499 for a common carrier requesting or seeking to maintain designation as an eligible telecommunications carrier. A waiver granted under this subsection may be conditioned upon the common carrier fulfilling requirements not stated in 3 AAC 53.400 — 3 AAC 53.499. (Eff. 7/12/2009, Register 191)

Authority: AS 42.05.141 AS 42.05.145 AS 42.05.151

3 AAC 53.410. Designation of eligible telecommunications carriers.

(a) A common carrier seeking designation as an eligible telecommunications carrier must file, for each study area or portion of a study area where eligible telecommunications carrier designation is sought, a request that includes

- (1) the common carrier's legal name, name under which business is conducted, and address;
- (2) the name, title, and telephone number of the individual who is the liaison with the commission regarding the request;

(3) a legal description by township and range of the proposed eligible telecommunications carrier service area;

(4) one or more maps of the proposed eligible telecommunications carrier service area, in hard copy and electronic format, that are legible and provide

(A) sufficient geographic detail to confirm the legal description in township and range of the proposed eligible telecommunications carrier service area;

(B) sufficient geographic detail to confirm the legal description in township and range of the study area of any incumbent local exchange carrier providing service in the proposed eligible telecommunications carrier service area, including exchange area boundaries;

(C) the common carrier's current coverage area and authorized service area, including material geographic obstacles;

(D) the common carrier's proposed coverage area by technology, including material geographical obstacles to serving the proposed coverage area; and

(E) the coverage area of any carrier whose services will be resold;

(5) a certification that the common carrier is

(A) capable of providing the supported services in the eligible telecommunications carrier service area upon designation; and

(B) committed to providing the supported services throughout the eligible telecommunications carrier service area in accordance with (7) of this subsection;

(6) a detailed explanation of how the common carrier is capable of and proposes to provide each supported service throughout the eligible telecommunications carrier service area; the explanation must include by wire center area

(A) the technology to be deployed;

(B) the supported services to be provided through resale of another carrier's services, if any;

(C) any limitations on the ability to provide supported services upon designation; and

(D) any federal waivers of requirements applicable to the provision of emergency services;

(7) a commitment to

(A) provide service on a timely basis to requesting customers throughout the common carrier's eligible telecommunications carrier service area using its own facilities or a combination of its own facilities and resale in accordance with the common carrier's network deployment plan filed under 3 AAC 53.420 and revised under 3 AAC 53.460(a)(1); and

(B) file a report in accordance with 3 AAC 53.460(a)(3) of any instance in which the carrier is unable to fulfill a customer request for service;

(8) a description of what facilities will be used to deliver supported services in the proposed eligible telecommunications carrier service area, including a description of the common carrier's existing facilities by wire center area;

(9) a description of authorities, licenses, and interconnection; resale, and other agreements that enable the common carrier to provide the supported services throughout the proposed eligible telecommunications carrier service area, including the docket of any related commission proceedings;

(10) a detailed description of how universal service support will be used, including the information required by 3 AAC 53.420;

(11) a certification that the common carrier will, within 90 days after designation and annually thereafter, advertise in a medium of general distribution the availability of and charges for supported, lifeline, and link up services throughout the eligible telecommunications carrier service area;

(12) a certification that the common carrier has and will continue to take steps to remain functional in emergency situations by

(A) maintaining at least eight hours of backup power to ensure functionality without local alternating current (AC) commercial power;

(B) establishing to the extent feasible the ability to reroute traffic around damaged facilities and to manage traffic spikes resulting from emergency situations; and

(C) establishing procedures for employees to follow in an emergency to prevent or minimize interruption or impairment of telecommunications services;

(13) a certification that the common carrier will comply with applicable consumer protection and service quality standards set out in 3 AAC 53.450;

(14) information confirming that the common carrier offers one or more calling plans comparable to those of the incumbent local exchange carrier; the information must include

(A) a certification that, among its comparable calling plans, the common carrier offers a calling plan with at least 500 free minutes of local usage per month; and

(B) a comparison of the incumbent local exchange carrier's basic local usage plans and the requesting carrier's local usage plans that includes the local calling area, minutes of use included, plan rates, rate for excess minutes, features, and any other information demonstrating how proposed plans compare to calling plans of the incumbent local exchange carrier;

(15) information on how the common carrier will administer the lifeline and link up programs, including

(A) a certification that the common carrier offers a calling plan with at least 500 free minutes of local usage per month to lifeline-eligible customers;

(B) a description of the local calling area, plan rate, rate for excess minutes, and available features;

(C) an explanation of how eligibility for lifeline and link up will be determined;

(D) examples applying lifeline discounts to service offerings; and

(E) a statement of whether a lifeline customer has a choice of plan offerings or must subscribe to one standard plan;

(16) a certification that the common carrier acknowledges it may be required to provide equal access to long distance carriers if no other eligible telecommunications carrier provides equal access within the eligible telecommunications carrier service area;

(17) with respect to universal service support for high-cost areas, a commitment to use that high-cost universal service support for the provision, maintenance, and upgrade of facilities and services that benefit the eligible telecommunications carrier service area from which the support was derived;

(18) if service area redefinition is requested, the information required by 3 AAC 53.430;

(19) any additional information that the common carrier considers important in support of the request for designation as an eligible telecommunications carrier; and

(20) the information and fees required by (b) and (c) of this section.

(b) The common carrier must demonstrate that designation as an eligible telecommunications carrier is in the public interest by filing information explaining

(1) how designation would benefit consumers;

(2) the advantages and disadvantages of the requesting common carrier's service offerings compared to the offerings of other common carriers in the area;

(3) whether the common carrier's particular plan for providing supported services upon request throughout the proposed eligible telecommunications carrier service area is in the public interest; and

(4) any additional information that the common carrier considers important to demonstrate designation is in the public interest.

(c) A common carrier that does not pay regulatory cost charges under AS 42.05.254 and 3 AAC 47 shall submit a fee of \$5,000 with a request for designation as an eligible telecommunications carrier. (Eff. 7/12/2009, Register 191)

Authority:	AS 42.05.141	AS 42.05.291	AS 42.05.431
	AS 42.05.145	AS 42.05.306	AS 42.05.661
	AS 42.05.151	AS 42.05.381	

3 AAC 53.420. Deployment plan. (a) A common carrier seeking designation as an eligible telecommunications carrier must file a network deployment plan explaining its plans to provide service throughout the proposed eligible telecommunications service area. The network deployment plan must include

(1) an explanation of how service availability, service quality, coverage, or capacity will improve over the duration of the deployment plan with the receipt of universal service support for high-cost areas;

(2) the projected start and completion date for each major expansion of the network deployment plan;

(3) the total estimated investment for each planned major expansion of the network and the estimated amount of universal service support for high-cost areas that is available to fund the investment;

(4) specific geographic locations for each major expansion;

(5) areas receiving facilities-based coverage as a result of network expansion; and

(6) specific areas where resale will be the primary means of providing service.

(b) When evaluating the network deployment plan the commission will consider

(1) the scope of the geographic area the common carrier will serve by resale;

(2) the common carrier's schedule for commencing facilities-based service and resold service within the eligible telecommunications carrier service area;

(3) the overall reasonableness of the network deployment plan; and

(4) other factors demonstrating whether the network deployment plan is consistent with the public interest; in areas served by a rural telephone company, the commission will consider whether the deployment plan provides a competitive advantage to the requesting common carrier or unfairly disadvantages the incumbent in the provision of universal service. (Eff. 7/12/2009, Register 191)

Authority: AS 42.05.141 AS 42.05.151 AS 42.05.291
AS 42.05.145

3 AAC 53.430. Request to redefine service area. If a common carrier proposes an eligible telecommunications carrier service area that differs from the study area of the incumbent local exchange carrier, the requesting carrier must provide

(1) the population, square miles, and road miles of each wire center area where the common carrier seeks eligible telecommunications carrier designation;

(2) the population, square miles, and road miles of each wire

center area where the common carrier does not seek eligible telecommunications carrier designation;

(3) the source of the information provided in (1) and (2) of this section;

(4) information on the approved plan for disaggregation of support by the incumbent local exchange carrier under 47 C.F.R. 54.315;

(5) if the study area is the area served by a rural telephone company, an acknowledgement that commission approval of a proposed rural service area is conditioned upon approval by the Federal Communications Commission after taking into account the recommendations of the Federal-State Joint Board on Universal Service in accordance with 47 U.S.C. 214(e)(5);

(6) a demonstration that the proposed eligible telecommunications carrier service area is in the public interest; and

(7) a discussion of creamskimming that includes

(A) a demonstration that the proposed redefinition of a service area does not result in an opportunity for creamskimming; or

(B) if the opportunity for creamskimming does exist, an explanation of how

(i) the public interest would be served by designating the common carrier as an eligible telecommunications carrier for an area other than the incumbent local exchange carrier study area; and

(ii) disaggregation of the incumbent local exchange carrier's universal service support under 47 C.F.R. 54.315 would affect the opportunity for creamskimming. (Eff. 7/12/2009, Register 191)

Authority: AS 42.05.141 AS 42.05.151 AS 42.05.291
AS 42.05.145

3 AAC 53.440. Procedural requirements for requests for eligible telecommunications carrier designation. (a) A request for designation as an eligible telecommunications carrier must be in writing, must be verified by an authorized officer of the requesting common carrier, and must conform to the general requirements of pleadings set out in 3 AAC 48.100. A request for designation as an eligible telecommunications carrier will be considered a petition as defined in 3 AAC 48.820.

(b) The requesting common carrier shall serve a copy of its petition on any common carrier that has been designated as an eligible telecommunications carrier in any part of the proposed eligible telecommunications carrier service area.

(c) The commission will publicly notice a request for designation as an eligible telecommunications carrier and invite comment on the request, providing a comment period of at least 21 days.

(d) If the request for designation as an eligible telecommunications carrier does not contain all information required by 3 AAC 53.410,

3 AAC 53.420, and 3 AAC 53.430, the commission will require the requesting carrier to submit the missing information within five business days after the commission requests the missing information.

(e) If the commission needs information that is not required by 3 AAC 53.410, 3 AAC 53.420, or 3 AAC 53.430 to determine whether to grant a request for eligible telecommunications carrier designation, the commission will require the requesting carrier to submit further information within five business days after the commission requests further information.

(f) The requesting carrier bears the burden of proof with respect to all issues raised by its petition for designation as an eligible telecommunications carrier. (Eff. 7/12/2009, Register 191)

Authority: AS 42.05.141

AS 42.05.145

AS 42.05.151

3 AAC 53.450. Consumer protection and service quality.

(a) An eligible telecommunications carrier shall maintain at least one business office, with toll-free calling if necessary, staffed during commission business hours, to provide customers with access to personnel who can timely provide information on services and rates, accept and process service applications, explain and adjust bills, and generally represent the carrier.

(b) A wireless carrier that is designated as an eligible telecommunications carrier shall comply with the Cellular Telecommunications and Internet Association's *Consumer Code for Wireless Service* by

- (1) disclosing rates and terms of service to customers;
- (2) making available maps showing where service is generally available;
- (3) providing contract terms to customers and confirming changes in service;
- (4) allowing a trial period for new service;
- (5) providing specific disclosures in advertising;
- (6) separately identifying carrier charges from taxes on billing statements;
- (7) providing customers the right to terminate service for changes to contract terms;
- (8) providing ready access to customer service;
- (9) promptly responding to consumer inquiries and complaints received from government agencies; and
- (10) abiding by policies for protection of consumer privacy.

(c) An eligible telecommunications carrier shall commit to maintaining, in an easily accessible location on the company website, consumer complaint procedures. (Eff. 7/12/2009, Register 191)

Authority: AS 42.05.141 AS 42.05.151 AS 42.05.291
AS 42.05.145

3 AAC 53.460. Reporting requirements. (a) A common carrier designated as an eligible telecommunications carrier shall provide on or before March 31 of each year

(1) an update of the common carrier's network deployment plan that details services provided within the eligible telecommunications carrier service area and includes

(A) maps detailing progress towards meeting network deployment plan targets;

(B) the amount of universal service support received;

(C) an explanation of how universal service support was used in the previous year to improve service quality, coverage, or capacity;

(D) an explanation regarding network improvement targets that have not been fulfilled and identification of any unserved areas; and

(E) an explanation of any revisions to the previously filed network deployment plan;

(2) a certification that the common carrier provided service throughout its eligible telecommunications carrier service area in the past calendar year to all customers requesting service except as described in (3) of this subsection;

(3) an explanation of each instance in which a customer was denied supported services and a detailed explanation of the steps taken to provide service;

(4) the number of complaints to the commission or the Federal Communications Commission by study area and service area, comparing the number of complaints to the total number of handsets or lines served by the carrier by study area and service area;

(5) a certification that the common carrier is in compliance with applicable consumer protection and service quality standards set out in 3 AAC 53.450;

(6) a certification that the common carrier complies with requirements set out in 3 AAC 53.410(a)(12) regarding functionality in emergency situations;

(7) copies of any outage reports mandated by the commission or the Federal Communications Commission;

(8) a certification that the common carrier complies with 3 AAC 53.410(a)(14) by offering one or more calling plans comparable to those of the incumbent local exchange carrier, including a calling plan with at least 500 free minutes of local usage per month; and

(9) affidavits of publication from the prior calendar year demonstrating that the common carrier advertised the availability of supported services throughout the eligible telecommunications carrier service area.

(b) A common carrier designated as an eligible telecommunications carrier before July 12, 2009 must submit an initial annual report that

includes a certification that the carrier will comply with 3 AAC 53.410(a)(7), (16), and (17).

(c) An eligible telecommunications carrier that is a carrier of last resort for local exchange service is not required to file the information specified in (a)(1)(A) and (D) of this section. (Eff. 7/12/2009, Register 191)

Authority: AS 42.05.141 AS 42.05.151 AS 42.05.291
AS 42.05.145

3 AAC 53.470. Audits. The commission may, on its own motion or in response to a petition from an interested entity, request the Alaska Universal Service Fund administrator approved under 3 AAC 53.310 or an appropriate entity to perform an audit of a designated eligible telecommunications carrier's compliance with eligible telecommunications carrier requirements: (Eff. 7/12/2009, Register 191)

Authority: AS 42.05.141 AS 42.05.151 AS 42.05.291
AS 42.05.145

3 AAC 53.480. Revocation, suspension, or modification of designation as an eligible telecommunications carrier. If the commission determines that an eligible telecommunications carrier failed to comply with the requirements of 47 U.S.C. 214(e), 3 AAC 53.400 — 3 AAC 53.499, commission orders, or other applicable law, or failed to fulfill commitments made in filings with the commission regarding eligible telecommunications carrier status, the commission, after notice and opportunity to be heard, may revoke, suspend or modify the carrier's eligible telecommunications carrier designation. (Eff. 7/12/2009, Register 191)

Authority: AS 42.05.141 AS 42.05.145 AS 42.05.151

3 AAC 53.499. Definitions. In 3 AAC 53.400 — 3 AAC 53.499, unless the context requires otherwise,

- (1) "business day" means a day other than Saturday, Sunday, or a state holiday;
- (2) "common carrier" has the meaning given in 47 U.S.C. 153(10);
- (3) "coverage area" means one or more locations where the common carrier is capable of providing the supported services;
- (4) "creamskimming" means the practice of targeting the customers that are the least expensive or the most profitable for the incumbent local exchange carrier to serve, thereby undercutting the incumbent local exchange carrier's ability to provide service throughout its study area;
- (5) "eligible telecommunications carrier service area" or "service area" means the geographical boundaries specified in an common carrier's request for designation as an eligible telecommunications carrier;

(6) "exchange" or "local exchange" has the meaning given in 3 AAC 48.820;

(7) "facilities" means any physical components of the telecommunications network that are used in the transmission or routing of the services that are designated for support;

(8) "lifeline" has the meaning given in 47 C.F.R. 54.401;

(9) "link up" has the meaning given in 47 C.F.R. 54.411;

(10) "rural telephone company" has the meaning given in 47 U.S.C. 153(37);

(11) "service area redefinition" means a change to an eligible telecommunications carrier service area that would cause the area to differ from the incumbent local exchange carrier study area;

(12) "study area" means the geographic area over which the incumbent local exchange carrier calculates its costs and performs jurisdictional separations, and is generally composed of the exchanges in the state served by that incumbent local exchange carrier; "study area" does not include areas outside the incumbent local exchange carrier's certificated service area;

(13) "supported services" means the basic services supported by the federal universal service fund in accordance with 47 C.F.R. 54.101(a), including

(A) voice grade access;

(B) local usage;

(C) dual-tone multi-frequency signaling;

(D) single-party service;

(E) access to emergency services;

(F) access to operator services;

(G) access to interexchange service;

(H) access to directory assistance; and

(I) toll limitation or a similar service for low-income customers;

(14) "wire center" means the location of a local switching facility containing one or more central offices;

(15) "wire center area" means the area within which all customers served by a given wire center are located. (Eff. 7/12/2009, Register 191)

Authority: AS 42.05.141
AS 42.05.145

AS 42.05.151

AS 42.05.291