

# Sponsor Statement

## HB 277

**“An Act relating to the powers of the Regulatory Commission of Alaska in regard to intrastate pipeline transportation services and pipeline facilities, to the rate of interest for funds to be paid by pipeline shippers or carriers at the end of a suspension of tariff filing, and to the prospective application of increased standards on regulated pipeline utilities; allowing the commission to accept rates set in conformity with a settlement agreement between the state and one or more pipeline carriers and to enforce the terms of a settlement agreement in regard to intrastate rates; and providing for an effective date.”**

[HB 277](#) will clarify what jurisdiction the [RCA](#) has over state rates as they pertain to interstate and intrastate tariffs; it addresses the RCA’s jurisdiction over State Right-Of-Way leases and will clarify their authority over dismantlement, removal, and restoration; it adds a new section that ensures RCA support of rate methodologies agreed to in settlement agreements with the State; and changes the applicable interest rate charged under RCA orders so that it conforms with the interest rate applied in other similar matters.

HB 277 will provide an environment that encourages both new and existing companies to continue investment and have certainty over future pipeline tariffs, the bill creates a business environment that supports a fair return of any pipeline owners investment, and provide the confidence that agreement with the state will be honored by all parties, while safeguarding the best interests of Alaskans.