

# MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION  
2

3 ONE HUNDRED AND TENTH LEGISLATURE  
4

5 **Legislative Document**

**No. 1844**

6  
7 S. P. 773 In Senate, January 14, 1982  
8 Approved for introduction by the Legislative Council pursuant to  
9 Joint Rule 26.

10 Referred to the Committee on Public Utilities and ordered printed.  
11 Sent down for concurrence. Ordered sent forthwith.

12 MAY M. ROSS, Secretary of the Senate  
13 Presented by Senator Carpenter of Aroostook.

14 Cosponsor: Senator Pray of Penobscot.

15 STATE OF MAINE  
16

17 IN THE YEAR OF OUR LORD  
18 NINETEEN HUNDRED AND EIGHTY-TWO  
19

20 **AN ACT to Prohibit Public Utilities From  
21 Including Uncompleted Construction Work Costs  
22 in Their Rates.**

23 Be it enacted by the People of the State of Maine as follows:

24 **35 MRSA §52-A is enacted to read:**

25 §52-A. Inclusion of uncompleted construction work costs in  
26 utility rates

27 Public utility rates or charges shall not in any manner  
28 be based on the cost of construction work in progress. At  
29 no time may any rates or charges be based upon any costs  
30 associated with construction work if that construction work  
31 is not completed. All costs of construction work in  
progress including, but not limited to, any cost associated  
with constructing, owning, maintaining or financing con-

1 struction work in progress shall not be included in a  
2 utility's rate base nor be allowed as an expense for rate-  
3 making purposes until, and not before, that construction is  
4 actually providing service to consumers.

5 Statement of Fact

6 Recently, for the first time, the Public Utilities Com-  
7 mission allowed a utility company to include "construction  
8 work in progress" charges in its customer billing. This was  
9 for investment in the Seabrook Plant and represented an  
10 immediate increase in utility rates because of a question-  
11 able company investment.

12 Several states, including New Hampshire, Kansas,  
13 Missouri and Montana have enacted laws prohibiting the  
14 inclusion of these charges until construction is completed  
15 and plants are operating.

16 This bill would do the same.

17 In 1982, the Public Utilities Commission will have  
18 before it several rate increase requests which will also  
19 include construction work in progress charges for plants  
20 many years away from operating.

21 Maine ratepayers need to be protected from these addi-  
22 tional burdens. The Public Utilities Commission must be  
23 given clear instructions on this issue.