

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 973

H. P. 754

House of Representatives, February 20, 1973

Referred to the Committee on Public Utilities. Sent up for concurrence and ordered printed.

E. LOUISE LINCOLN, Clerk

Presented by Mr. Whitzell of Gardiner.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT Relating to Utility Promotion and Advertising Expenses.

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

R. S., T. 35, § 51-A, additional. Title 35 of the Revised Statutes is amended by adding a new section 51-A, to read as follows:

§ 51-A. Promotion and advertising expenses

For purposes of section 51, sales promotion and advertising expenses of an electrical company, gas company, water company or other public utility, whose product or service utilizes a nonrenewable resource, shall not be considered as required to the utility to perform its public services.

STATEMENT OF FACT

Inasmuch as a market exists without the artificial creation of one and since the operation of a public utility by law is protected from adverse competitive influence, the purpose of this bill is to require the Public Utilities Commission to disallow utility promotion and advertising expenses from being charged to the rate-paying consumers in certain utility rate-making proceedings. This legislation will in no way prohibit a public utility from exercising its right to promote its function and services but such sales promotion expenses must come from that portion of the corporate revenues which consist of the statutory fair return. The cost of strictly public service announcements, such as, notices of temporary interruptions of service and pole placements, shall not be considered as sales promotion or advertising expense for the purpose of this legislation.