

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1717

S. P. 549

In Senate, April 3, 1973

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

HARRY N. STARBRANCH, Secretary

Presented by Senator Kelley of Aroostook.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT Relating to Determining Just and Reasonable Public Utility Rates.

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

R. S., T. 35, § 51, amended. The next to the last sentence of section 51 of Title 35 of the Revised Statutes is repealed and the following enacted in place thereof:

In determining just and reasonable rates, the commission shall investigate the reasonableness and justness of all contracts, agreements and charges entered into or paid by such public utilities with or to other persons, whether affiliated with such public utilities or not and shall have the power to disallow as an operating expense of any public utility such part of the amount so paid by it under any such contract or agreement as the commission may find, after hearing, to be unjust or unreasonable and designed for the purpose of concealing or dissipating the net earnings of the public utility, and shall consider testimony relating to the economic ability of customers of public utilities to pay existing or requested rate charges, or both.

STATEMENT OF FACT

The present law restricts the Public Utilities Commission from considering testimony relating to the customer's ability to pay rate charges, especially with light and telephone companies. Also, the Public Utilities Commission has allowed expenses in rate hearings which should be excluded, such as advertising costs.

Accordingly, this legislation is necessary to allow the Public Utilities Commission sufficient power to exclude unnecessary utility costs and to consider customer factors such as unemployment, wage controls and average annual income.