

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

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Legislative Document

No. 882

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H. P. 702 House of Representatives, March 4, 1975  
Referred to Committee on Appropriations and Financial Affairs. Sent up  
for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Martin of Eagle Lake.

Cosponsors: Mr. Kelleher of Bangor and Mr. Finemore of Bridgewater.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-FIVE

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**AN ACT Appropriating Funds to the Attorney General for the Purpose of  
Participating in Proceedings before the Public Utilities Commission.**

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**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, funds are necessary for the retention of an additional attorney, expert witnesses and other extraordinary expenses of the Department of the Attorney General with respect to the intervention and participation of the Attorney General in the pending New England Telephone and Telegraph Company rate increase proceeding before the Maine Public Utilities Commission; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

**Appropriation.** There is appropriated from the General Fund to the Department of the Attorney General the sum of \$55,000 to carry out the purposes of this Act. The breakdown shall be as follows:

ATTORNEY GENERAL, DEPARTMENT OF THE	1975-76
Departmental operations	
Unallocated	\$55,000

Provides funds to be used in connection with rate increase proceeding before Public Utilities Commission.

Any balance remaining shall not lapse but shall remain a continuing carrying account until June 30, 1977.

**Emergency clause.** In view of the emergency cited in the preamble, this Act shall take effect when approved.

### STATEMENT OF FACT

The New England Telephone Company is presently seeking from the Maine Public Utilities Commission interim rate relief of \$6,000,000 at a permanent rate increase of \$21,000,000. A preliminary investigation by the Department of the Attorney General indicates that these proposed rates may indeed be substantially inflated and the interim rate relief request appears to be based on alterations of the rate structure that would impose the entire burden of that rate increase on a minority of its customers in an arbitrary and inequitable fashion. Equally important, the interim rate relief requested is based on an argument that the company is entitled as a matter of constitutional right to the increase because inflation is eroding its rate of return as permitted by a prior PUC decision. If that argument were to prevail, it would create an extraordinarily damaging precedent, because other utilities also facing increasing costs would also have precedent for making the same argument.

The preliminary investigation suggests that an effective participation by the Attorney General could possibly reduce the proposed permanent rate increase by several million dollars. Such participation, however, would require the services of an additional attorney, an economic consultant and support services for them. Such additional services are essential, for the telephone company has more than adequate resources to make a very effective presentation in support of their claim before the PUC.