

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1603

S. P. 469

In Senate, April 8, 1975

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

HARRY N. STARBRANCH, Secretary

Presented by Senator Berry of Androscoggin.

Cosponsor: Senator Reeves of Kennebec.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT to Prohibit the Arbitrary Imposition of Certain Fuel Charges by Electric Power Utilities.

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

Sec. 1. 35 MRSA c. 5, sub-c. II, is enacted to read:

SUBCHAPTER II

FUEL CHARGE OF ELECTRIC UTILITY

§ 131. Fuel charge

The commission may approve an itemized fuel charge in rates filed by electric companies to reflect adjustments in the cost of fuels and power purchased by such companies.

§ 132. Billing; regulations; reports; approval

1. Billing. The cost of any and all fossil fuel used in generating or supplying electricity to a customer shall be included in the itemized fuel charge and shall be billed at a single uniform rate per kilowatt-hour used by a customer. Such fuel charge shall be the fuel rate multiplied by the number of kilowatt-hours used by a customer. The fuel rate shall be uniform for all customers of any electric company, and that rate shall be calculated by dividing the total cost of fuel used in generating or supplying electricity which is applicable to a billing period by the total number of kilowatt-hours used by all customers. The commission shall authorize only such rates as reflect the inclusion of all fuel costs in the fuel charge herein described.

2. **Regulations.** The commission shall establish regulations for the uniform calculation and billing of fuel charges by all electric companies, including provisions for the calculation of such charges by companies which purchase the major portion of their energy requirements from other electric companies. Whenever the commission shall determine that it is in the public interest to incorporate in such uniform calculations the use of any factors in addition to the cost of the total amount of fuel consumed and the total kilowatt-hour usage, it shall do so only after public hearing and by a formal written opinion from the commission; provided, however, that the commission shall review not less than annually the method of calculating all such fuel charges. If an electric company bills customers bimonthly, the fuel charge shall be calculated by multiplying the average of the fuel charge rates applicable to the 2 months in the billing period by the total kilowatt hours used in that billing period.

3. **Reports.** The commission shall require electric companies to file monthly reports of fuel cost, purchased power charges, kilowatt-hour usages and income derived from fuel charges. The commission shall examine such reports from time to time and shall order rebates to customers if the total fuel charges billed to customers exceeds the amount required by companies to pay increases in the cost of fuel and purchased power.

4. **Approval.** In no event shall a fuel charge be billed to customers which has not been specifically approved by the commission after a public hearing. Such hearing shall be held within 14 days of a filing of an application by an electric company for the allowance of such fuel charge after notice of such application and hearing has been published at least 7 days in a newspaper of general circulation in the area served by such company. All electric company contracts, invoices, and agreements with fuel suppliers shall be included with such application and shall be made part of the commission's records. The commission shall render its decision on such application for a fuel charge within 30 days of such hearing.

Sec. 2. Investigation. The Public Utilities Commission shall investigate and examine the appropriateness of all fuel charges imposed by electric companies after January 1, 1973. The commission shall report the results of such investigation to the Legislature by filing the same with the Legislative Council on or before the first Wednesday in December, 1975, and shall order rebates to customers if the fuel charges billed between January 1, 1973 and the effective date of this Act were not in accordance with the provisions of this Act.

Sec. 3. Transition. Notwithstanding the provisions of section 1 of this Act, any fuel charge in effect on the effective date of this Act shall remain in effect for 60 days thereafter or until such time as a fuel charge is approved by the Public Utilities Commission pursuant to the provisions of Title 35, section 131.

STATEMENT OF FACT

This Act provides for comprehensive regulations by the Public Utilities Commission of fuel adjustment charges by electric power utilities.