

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 187

S. P. 79

In Senate, January 27, 1977

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

MAY M. ROSS, Secretary

Presented by Senator Cummings of Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT to Allow Water Utility Rates Under Bond.

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

35 MRSA § 72 is enacted to read:

§ 72. Temporary rates under bond

During the suspension under section 69 of the operation of any change or changes proposed to be made in any schedule of rates of a water utility, at any time 4 months or more after the commission received notice of such change or changes under section 64, the water utility may, without further notice under section 64, put into effect all or any part of any such change or changes, provided that in case of a proposed increase, it files with the commission reasonable assurance approved by the commission, which may include its own bond with or without surety, that the water utility will refund to its customers any amounts collected from them in excess of the rates ultimately fixed at the conclusion of the commission's investigation or after any review of the commission's order under section 303 or section 305. Any such refund shall be paid or credited by the water utility to its customers under the direction of the commission, with such reasonable interest as may be ordered by the commission. This section shall remain in effect until December 31, 1979.

STATEMENT OF FACT

The purpose of this bill is to allow water utility rates to become effective 4 months after filing with the Public Utilities Commission on the condition that they be under bond. If rates ultimately approved are less than those

under bond, then the water utility must refund or credit the customer the difference along with the interest on the difference. This Act shall be effective only through December 31, 1979, as it is intended to be an experiment to determine whether it is feasible. The purpose of it is to allow the utility to put all or a portion of its rates in under bond or in the second suspension period which is for a 5-month time period. This will prevent a water district or a water company from suffering a continuing loss during the period in which the rate case is processed. Under the present law, if those losses are suffered, there is no way which the water utility or the commission can impose a surcharge on the customers to recover the loss when and if the commission ultimately determines the rates to be reasonable.