

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1407

H. P. 1179

House of Representatives, March 31, 1977

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

EDWIN H. PERT, Clerk

Presented by Mrs. Kany of Waterville.

Cosponsors: Mr. Spencer of Standish, Mr. Henderson of Bangor, Mr. Kelleher of Bangor.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT Relating to Electric Companies' Fuel Charges.

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

Sec. 1. 35 MRSA § 131, sub-§ 1, as enacted by PL 1975, c. 489, § 1, is repealed and the following enacted in its place:

1. **Billing.** If the Public Utilities Commission permits any utility to recover fuel costs through any automatic adjustment charge, a reasonable allowance for such fuel 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 a reasonable allowance for the 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.

Sec. 2. 35 MRSA § 131, sub-§ 2, as enacted by PL 1975, c. 489, § 1, is amended to read:

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.

Sec. 3. 35 MRSA § 131, sub-§ 3, as enacted by PL 1975, c. 489, § 1, is amended by adding at the end the following new sentences:

Not less than semiannually, the commission shall prepare and make public a report on any automatic fuel charges for any utility with gross annual revenues in Maine of more than \$15 million. Such report shall state clearly and intelligibly the basis for the fuel charges, trends in those charges, the reason for those trends, and the commission's best estimate of fuel charges for the next 6 months.

STATEMENT OF FACT

The intent of this bill is to provide for Public Utilities Commission scrutiny of fuel charges by utilities with gross annual revenues in Maine of more than \$15 million. In addition, this bill limits customer billings to a reasonable allowance for the cost of such fuel.