

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1867

H. P. 1669

House of Representatives, June 8, 1977

Reported by Mr. Kelleher from Committee on Public Utilities. Sent up for concurrence and ordered printed under Joint Rules No. 2.

EDWIN H. PERT, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT to Provide Lifeline Electrical Services.

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

Sec. 1. 35 MRSA c. 4, as enacted by PL 1975, c. 585, § 1, is repealed and the following enacted in its place:

CHAPTER 4

THE LIFELINE ELECTRICAL SERVICE ACT

§ 81. Title

This chapter shall be known as The Lifeline Electrical Service Act.

§ 82. Policy

It is declared that it is the policy of the State of Maine to insure an adequate electrical utility service to older citizens at a price they can afford. Older citizens today face a special crisis in surviving under the constant increase in the cost of living and particularly in the cost of fuel and utility services. It is the purpose of lifeline electrical service to alleviate the upward spiral in the cost of electrical service to older citizens and at the same time encourage as well as reward the conservation of scarce energy supplies.

It is the policy of this State that residents be able to receive electrical service for basic necessities of modern life, such as lighting and refrigeration, at a stable, fair and reasonable minimum cost and to encourage the reduction of electrical power consumption for all other uses beyond such basic necessities.

§ 83. Definitions

As used in this chapter, unless the context otherwise indicates, the following words shall have the following meanings.

1. Older citizen. "Older citizen" means a residential customer 65 years of age or older.

2. Residential customer. "Residential customer" means an individual customer of an electric utility who maintains a permanent place of abode within this State and is present in this State for more than, in the aggregate, 270 days each year.

§ 84. Lifeline rate

1. Rate. A lifeline rate, as hereinafter defined, shall be provided to all eligible elderly residential customers for the initial 500 kilowatt hours of electricity utilized each month.

2. Computation of lifeline rate. The lifeline rate shall be computed as follows:

A. For the first 500 kilowatt hours utilized each month, the lifeline rate shall be a flat per kilowatt hour rate which is determined by taking the applicable residential base bill amount for a monthly usage of 500 kilowatt hours, adding to it the average monthly fuel adjustment charge for the preceding calendar year and multiplying the sum by 75%.

B. For the utilization of electricity in excess of 500 kilowatt hours per month, the regular applicable residential rate shall apply.

§ 85. Eligibility

Each residential customer 65 years or older with an annual adjusted gross income of \$6,500 or less shall be eligible for the lifeline rate. In order to obtain a lifeline rate, a residential customer shall apply to the Public Utilities Commission for approval. The applicant shall provide the commission with all the necessary information to determine whether a customer is eligible.

§ 86. Rules and regulations

The Public Utilities Commission shall establish rules and regulations for the administration of the lifeline program. The rules and regulations shall include the following:

1. Application. The method of application and the information to be furnished by the applicant;

2. Method of determination. The method of determining eligible residents for the program;

3. Reimbursement to utilities. The method, to include payment periods, by which electric utilities shall be reimbursed for lost revenues resulting from lifeline rates; and

4. **Information from utilities.** The data and information to be provided by the electric utilities to the commission to determine the amount of lost revenues attributable to lifeline rates.

Sec. 2. Appropriation. There is appropriated from the General Fund to the Public Utilities Commission the sum of \$2,000,000 for fiscal years 1977-78 and 1978-79 to carry out the purposes of this Act. The breakdown shall be as follows:

	1977-78	1978-79
PUBLIC UTILITIES COMMISSION		
All other	\$1,000,000	\$1,000,000

STATEMENT OF FACT

The intent of this new draft is to limit the lifeline rate program to low income elderly residents of Maine who reside in the State for at least 270 days per year. The new draft also changes the means by which the lifeline program is financed. The new draft provides an appropriation from the General Fund to finance the lifeline rate. The General Fund appropriation is in lieu of a change in the rate base of every electric utility in Maine to pass the costs on to other utility users.