

MAINE STATE LEGISLATURE

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SECOND REGULAR SESSION

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 2001

H. P. 1928

Office of the Clerk of the House

The Committee on Public Utilities suggested. Approved for introduction by the Legislative Council pursuant to Joint Rule 24.

EDWIN H. PERT, Clerk

Presented by Mr. Spencer of Standish.

Cosponsors: Mr. Wilfong of Stow, and Mr. Greenlaw of Stonington.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-EIGHT

AN ACT to Limit Fuel Adjustment Charges to Actual Changes in the Price of Oil.

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

35 MRSA § 131, as amended by PL 1977, c. 475, is repealed and the following enacted in its place:

§ 131. Itemized fuel charges; regulations; reports

1. **Itemized fuel charges.** Increases in the cost of oil purchased by an electric utility in generating or supplying electricity to customers in Maine and increases in the cost of fuel purchased by an electric utility from other electric companies shall be the only costs included in the itemized fuel charge that is charged to ratepayers. Itemized fuel charges established under this section shall be billed at a single uniform rate per kilowatt-hour used by a customer. The itemized 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 increase in the cost of fuel used in generating or supplying electricity which is applicable to a billing period by the number of kilowatt-hours used by all customers.

2. **Regulations.** The commission shall establish regulations for the uniform calculation and billing of increases in fuel costs as defined in subsection 1 by all electric companies which shall include provisions for the calculation of the charges by companies which purchase the major portion of their energy requirements from other electric companies. 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 increases in fuel costs as defined in subsection 1, kilowatt-hour usages, and income derived from itemized fuel charges. The commission shall examine the reports from time to time and shall order rebates to customers if the total itemized fuel charges billed to customers exceed the amount required by companies to pay the cost of increased fuel costs.

STATEMENT OF FACT

The purpose of this bill is to limit the charges passed on without review by the Public Utilities Commission to increases in the cost of oil and purchased power. This will ensure ratepayers that all other fuel costs will be reviewed by the Public Utilities Commission.