

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 561

H. P. 444

House of Representatives, February 14, 1979

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

EDWIN H. PERT, Clerk

Presented by Ms. A. Brown of Gorham.

Cosponsors: Mr. McKean of Limestone and Mrs. Gowen of Standish.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT to Prohibit Telephone Companies from Requiring Service Deposits Prior to Providing Phone Service to Businesses.

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

35 MRSA § 105, first sentence, as enacted by PL 1975, c. 378, is amended to read:

No public utility shall require any deposit of any ~~residential~~ customer without proof that the customer is likely to be a credit risk or to damage the property of the utility.

STATEMENT OF FACT

The purpose of this bill is to allow business customers to be exempt from utility deposits, except businesses that are credit risks, in the same way as residential customers. Utility deposits can be very substantial, and small businesses in particular can experience a severe cash flow problem as a result of the deposit. Utilities can cut off essential service and force heretofore reliable firms that become delinquent utility customers to pay their bills. This bill, therefore, puts business customers in the same category as residential customers with respect to deposits.