

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-521)
109TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P.1132, L.D. 1400, Bill,
"AN ACT to Permit Municipal Water Departments and Quasi-
municipal Water Districts to Provide a Contingency Reserve.

Amend the Bill by striking out all of that part designated
"§3311." and inserting in its place the following:

'§3311. Reserve fund

Notwithstanding any other provision of law or of any
charter to the contrary and in addition to any charter or
private and special acts creating or affecting any municipal
water department or quasi-municipal water district, the
commission, in setting rates, may provide for a contingency
reserve fund for any public operated water supply utility that
shows evidence, satisfactory to the commission, that a contingency
fund is just and/ reasonable. This fund, if approved, shall be accrued
by providing rates to reflect up to ^a/₅ addition to yearly
revenues over what is required to operate each utility.'

Statement of Fact

This amendment authorizes the Public Utilities Commission,
at its discretion, to establish a contingency fund for a public
water supply utility. Private water companies are not included
in these provisions because these facilities are guaranteed a
rate of return to cover their costs of operation.

The commission may authorize a water utility to assess

users at a rate not to exceed 5% of the total annual operating revenues to be placed in a contingency account for emergency purposes.

Reported by the Majority of the Committee on
Public Utilities.
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