

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

(EMERGENCY)
(After Deadline)
FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1567

S. P. 507

In Senate, April 19, 1979

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

Presented by Senator Pierce of Kennebec.

MAY M. ROSS, Secretary of the Senate.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

**AN ACT to Grant the Public Utilities Commission Jurisdiction to Review
Adjustments under the Fuel Adjustment Clause.**

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the Maine Yankee Atomic Power Plant has been ordered shut down by the Nuclear Regulatory Commission until design alterations can be made which will bring the plant into compliance with all applicable safety requirements; and

Whereas, Central Maine Power Company, Maine Public Service Company and Bangor Hydro-Electric Company will incur higher fuel costs as a result; and

Whereas, under existing law, these higher fuel costs will soon be passed on to Central Maine Power Company, Maine Public Service Company and Bangor Hydro-Electric Company ratepayers under the fuel adjustment clause; and

Whereas, there are substantial questions regarding the equity of allowing these costs to pass under the fuel adjustment clause, including the question of whether the adjustment should be allowed until all available remedies have been pursued

to a conclusion by Central Maine Power Company and the other Maine utilities with an ownership interest in Maine Yankee Atomic Power Company; and

Whereas, there may not presently be a procedure under which the questions may be satisfactorily resolved before any higher costs are passed on to ratepayers under the fuel adjustment clause; and

Whereas, the Public Utilities Commission does not have jurisdiction to order a refund of these charges once they have been paid; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 35 MRSA § 131, sub-§ 10 is enacted to read:

10. Commission review. The Public Utilities Commission shall have discretion to review, on its own motion, any costs resulting in an adjustment to the fuel charge of an electric utility under this section. The commission may deny all or any part of the adjustment if it finds that the costs, or any part thereof, are unjust or unreasonable, or that it would be unreasonable for the costs, or any part thereof, to pass under the fuel adjustment clause without review by the commission in a formal rate proceeding.

Sec. 2. P.L. 1977, c. 689, § 2, is amended by adding at the end the following sentences:

The commission shall have discretion to review, on its own motion, any costs resulting in an adjustment to the fuel charge of an electric utility during the transition period. The commission may deny all or any part of the adjustment if it finds that the costs, or any part thereof, are unjust or unreasonable, or that it would be unreasonable for the costs, or any part thereof, to pass under the fuel adjustment clause without review by the commission in a formal rate proceeding.

Emergency clause. In view of the emergency cited in the preamble, the Act shall take effect when approved.

STATEMENT OF FACT

This bill would give the Public Utilities Commission jurisdiction to review any costs resulting in an adjustment to the fuel charge of electric utilities before the costs are passed on to ratepayers under the fuel adjustment clause. The commission would be empowered under this bill to deny all or any part of the adjustment if it concluded that the costs, or any part thereof, should not pass under the fuel adjustment clause. This bill would not prevent an electric utility from recovering the costs in a formal rate proceeding. However, the costs would be subject to review by the commission at that time.