

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 579

S. P. 214

In Senate, February 3, 1981

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

MAY M. ROSS, Secretary of the Senate

Presented by Senator Trafton of Androscoggin.

Cosponsor: Representative Kany of Waterville.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Authorize Municipal and Quasi-municipal Water Districts to Set Rates.

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

Sec. 1. 35 MRSA § 15, sub-§ 4-A is enacted to read:

4-A. Customer. "Customer" includes any person, firm, corporation, government or governmental division which has applied for and is granted service or which is responsible for payment of the service.

Sec. 2. 35 MRSA § 69, 3rd ¶, as enacted by PL 1977, c. 75, § 1, is amended to read:

This ~~section~~ section shall not apply to municipal or quasi-municipal corporations which are water companies within the definition of section 15, subsection 25, ~~and which serve 400 or fewer customers~~ any provisions in any charter notwithstanding.

Sec. 3. 35 MRSA § 72, as enacted by PL 1977, c. 75, § 2, is amended to read:

§ 72. Municipal and quasi-municipal water companies

Notwithstanding section 69, municipal and quasi-municipal corporations which are water companies within the definition of section 15, subsection 25, ~~and serving~~

~~400 or fewer customers~~ shall be subject to the suspension, investigation, hearing and rate substitution provisions of section 69 under the conditions specified in this section.

Municipal and quasi-municipal water corporations as defined in this section shall not file with the commission or increase any rate, toll or charge without first holding a public hearing at which any person, firm or corporation which pays such rates, tolls or charges to the municipal or quasi-municipal water corporations may testify and may question the officials present regarding such proposed increase. The municipal or quasi-municipal water corporation as described in this section shall, at least 14 days prior to the hearing, publish a notice ~~of~~ **including** the date, time, place and purpose of the hearing **at least twice** in a newspaper of general circulation in the area encompassed by the municipal or quasi-municipal water corporation. **In addition, each municipal or quasi-municipal water corporation serving 400 or more customers shall give notice of the proposed action to each of its ratepayers. The commission is authorized to promulgate such rules as it deems necessary regarding notice requirements, including notice of any final decision. At the commencement of each hearing held pursuant to this section, the municipal or quasi-municipal water corporation shall inform those present that the rate increase may be investigated by the Public Utilities Commission in accordance with this section.**

If, on or before the effective date of the rate change, **10% of the customers of the municipal or quasi-municipal water corporation or 1,000 customers, whichever is less, or 10% of the customers served at a higher rate than the uniform rate, or 10% of a single class of customers** file with the treasurer of the corporation and with the Public Utilities Commission petitions demanding a review of the rate changes by the Public Utilities Commission, the rate change may be suspended, investigated, reviewed and changed in accordance with section 69.

Nothing in this section may prohibit a municipal or quasi-municipal water corporation from petitioning the Public Utilities Commission for review pursuant to section 69 in the first instance.

Upon review of a rate filing made pursuant to this section, the Public Utilities Commission may order the municipal or quasi-municipal water corporation to correct any errors.

STATEMENT OF FACT

This bill allows municipal and quasi-municipal water districts to set their own rates in the first instance, unless the customers petition the Public Utilities Commission to review the rates. The bill also incorporates certain notice provisions from the Maine Administrative Procedures Act and gives the commission the authority to prescribe rules to insure that customers are adequately informed about any proceeding. In the past, this procedure has existed only for water districts serving 400 or fewer customers. Larger water districts were regulated in accordance with the rules governing all other utilities.