

MAINE STATE LEGISLATURE

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(EMERGENCY)
(Governor's Bill)
FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 1240

S. P. 417

In Senate, March 11, 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.

Cosponsors: Representative Connolly of Portland, Senator Hichens of York and Representative Gowen of Standish.

STATE OF MAINE

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

AN ACT to Remove the Customer Charge from Electric Utility Rate Structures.

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

Whereas, the customer charge on electricity requires that all customers pay the same basic monthly charge regardless of use; and

Whereas, the recovery of customer-related costs through demand or energy charges will encourage energy conservation; and

Whereas, the Public Utilities Commission currently has before it a proceeding in which utility rate structures are being considered; 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:

35 MRSA § 96, as enacted by PL 1979, c. 539, is repealed and the following enacted in its place:

§ 96. Customer charge

No electric utility may impose a customer charge in its rate structure for residential customers for the purpose of recovering the costs of a minimum distribution system; meter reading and billing; maintenance of meters, poles, and lines; customer services; depreciation; taxes; or return on investment on meters, poles and lines. No electric utility may be authorized any rate structure whose sole or primary purpose would be to have the effect of imposing a customer charge.

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

STATEMENT OF FACT

Currently, electric utility customers must pay a minimum monthly customer charge regardless of the amount of electricity they consume. Removal of the customer charge will require that customer-related costs be recovered through demand or energy charges and, therefore, will encourage energy conservation. Low-consumption customers will no longer be penalized for their efforts to save electricity.

The Public Utilities Commission has before it a proceeding in which utility rate structures are being considered. This bill prohibits the PUC from approving a customer charge as part of current rate structure proceedings.