

MAINE STATE LEGISLATURE

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(Governor's Bill)
FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 1679

S. P. 654

In Senate, June 2, 1981

Reference to the Committee on Public Utilities suggested and Ordered Printed.

MAY M. ROSS, Secretary of the Senate

Presented by Senator Trafton of Androscoggin.

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

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.

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35 MRSA § 96, as enacted by PL 1979, c. 539, is repealed and the following enacted in its place: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

1. **Companies required to provide minimum charge.** Any electrical company, which has more than 20,000 customers during any calendar year after the enactment of this section and which has in effect a flat energy rate for residential customers, shall provide to its residential customers to whom the rate applies up to 80 kilowatt hours of electrical service for a minimum charge, which shall equal the average cost to the company as established by its filed energy rate for 80 kilowatt hours of residential service to its customers to whom the rate applies, and the minimum charge is declared to be just and reasonable. The commission may determine that the minimum charge required by this section equals the average cost to the company for 80 kilowatt hours of residential service, as established by the flat energy rate approved by the commission.

2. **Institution of minimum charge.** The minimum charge required by this

section shall be instituted not later than the date of the first residential rate order adopted with respect to the company after the effective date of this section. For any such company which applies a flat rate for residential customers when this section becomes effective, the commission shall order that the minimum charge be instituted no later than 30 days thereafter.

3. **Minimum charge part of energy charge.** The minimum charge shall be payable by the customer as part of the energy charge in such manner that all costs to the customer for residential service shall appear on the statement issued by the company as a single item. This requirement does not prohibit separate information concerning the fuel cost adjustment, as defined in section 131, from appearing on the statement.

4. **Family farm rate or rates.** When the commission establishes a minimum charge, it shall also establish a family farm rate or rates. This rate shall be available to users previously classified as residential customers and who require electricity primarily for agricultural production, as defined in Title 36, section 2013, subsection 1, paragraph A. The family farm rate shall reflect the particular consumption patterns of users and especially those patterns which contribute to the efficient utilization of generation and transmission facilities. Any increase in the per kilowatt-hour charge resulting solely from this section does not apply to residential customers for agricultural purposes, as defined in Title 36, section 2013, subsection 1, paragraph A.

STATEMENT OF FACT

This bill provides for a minimum charge to replace the customer charge which would be eliminated for all electric utilities with 20,000 or more customers. The minimum charge would be used in conjunction with a flat rate and would be instituted when such a rate is instituted. It would apply within 30 days to any utility currently using a flat rate. The minimum charge would appear on the customer's bill as a part of the energy charge. A special rate class would be established for family farmers now under the residential rate. The family farm rate would reflect the heavy off-peak use by family farmers and should accordingly provide them with favorable consideration. Family farmers would not be required to pay any higher energy charge because of the enactment of this section.