

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND TENTH LEGISLATURE
4

5 **Legislative Document**

No. 1844

6
7 S. P. 773 In Senate, January 14, 1982
8 Approved for introduction by the Legislative Council pursuant to
Joint Rule 26.

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

9 MAY M. ROSS, Secretary of the Senate
10 Presented by Senator Carpenter of Aroostook.

11 Cosponsor: Senator Pray of Penobscot.

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-TWO
16

17 **AN ACT to Prohibit Public Utilities From**
18 **Including Uncompleted Construction Work Costs**
19 **in Their Rates.**
20

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

22 35 MRSA §52-A is enacted to read:

23 §52-A. Inclusion of uncompleted construction work costs in
24 utility rates

25 Public utility rates or charges shall not in any manner
26 be based on the cost of construction work in progress. At
27 no time may any rates or charges be based upon any costs
28 associated with construction work if that construction work
29 is not completed. All costs of construction work in
30 progress including, but not limited to, any cost associated
31 with constructing, owning, maintaining or financing con-

1 struction work in progress shall not be included in a
2 utility's rate base nor be allowed as an expense for rate-
3 making purposes until, and not before, that construction is
4 actually providing service to consumers.

5 Statement of Fact

6 Recently, for the first time, the Public Utilities Com-
7 mission allowed a utility company to include "construction
8 work in progress" charges in its customer billing. This was
9 for investment in the Seabrook Plant and represented an
10 immediate increase in utility rates because of a question-
11 able company investment.

12 Several states, including New Hampshire, Kansas,
13 Missouri and Montana have enacted laws prohibiting the
14 inclusion of these charges until construction is completed
15 and plants are operating.

16 This bill would do the same.

17 In 1982, the Public Utilities Commission will have
18 before it several rate increase requests which will also
19 include construction work in progress charges for plants
20 many years away from operating.

21 Maine ratepayers need to be protected from these addi-
22 tional burdens. The Public Utilities Commission must be
23 given clear instructions on this issue.