

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 614

6
7 S.P. 191

In Senate, February 7, 1983

8 Referred to the Committee on Public Utilities, sent down for concurrence
9 and ordered printed.

10 JOY J. O'BRIEN, Secretary of the Senate

11 Presented by Senator Carpenter of Aroostook.

12 STATE OF MAINE
13

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

17 AN ACT to Prohibit Public Utilities
18 from including Uncompleted Construction
19 Work Costs in their Rates.
20

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

23 35 MRSA §52-A is enacted to read:

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

26 Public utility rates or charges shall not in any
27 manner be based on the cost of construction work in
28 progress. At no time may any rates or charges be
29 based upon any costs associated with construction
30 work, if that construction work is not completed.
31 All costs of construction work in progress, includ-
32 ing, but not limited to, any cost associated with
33 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
3 rate-making purposes until, and not before, that con-
4 struction is actually providing service to consumers.

5 STATEMENT OF FACT

6 Recently, for the first time, the Public Utili-
7 ties Commission allowed a utility company to include
8 "construction work in progress" charges in its cus-
9 tomer billing. This was for investment in the
10 Seabrook plant and represented an immediate increase
11 in utility rates because of a questionable company
12 investment.

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

17 This bill would do the same.

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