

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION  
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE  
4

5 Legislative Document

No. 1259

6  
7 S.P. 412

In Senate, March 17, 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

Presented by Senator Dutremble of York.

Cosponsor: Representative Wentworth of Wells.

11  
12 STATE OF MAINE  
13

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

17 AN ACT Regarding Rate Increase Filings  
18 by Water Districts.  
19

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

22 35 MRSA §3227 is enacted to read:

23 §3227. Proceedings for rate filings

24 Customers of any water district, as defined in  
25 this chapter, may, at any annual meeting of the dis-  
26 trict, adopt standards governing rate increase fil-  
27 ings with the Public Utilities Commission. Customers  
28 may choose whether filings will be made pursuant to  
29 section 69 or 72. Decisions so made shall be  
30 incorporated in the district's bylaws.

1 STATEMENT OF FACT

2 The purpose of this bill is to permit water dis-  
3 tricts the flexibility of having rate increase pro-  
4 ceedings governed by Title 35, section 69 or 72.  
5 Under section 69, the Public Utilities Commission, on  
6 complaint or its own motion, may suspend a rate  
7 increase filing and conduct investigations into the  
8 propriety of the new filing. The burden of proving  
9 the reasonableness of the new rates is on the util-  
10 ity.

11 Water company rate increases are governed by  
12 Title 35, section 72. That section requires the  
13 water company to hold a public hearing in the dis-  
14 trict prior to filing its new rates. The company  
15 must at the time inform customers of their right to  
16 petition the Public Utilities Commission to conduct  
17 an investigation pursuant to section 69. To file a  
18 petition requires the signatures of 15% of the dis-  
19 trict's customers or 1,000 customers, whichever is  
20 less. If no petition is filed, the Public Utilities  
21 Commission is limited to reviewing the filing only  
22 for mathematical or clerical errors, and not for  
23 underlying reasonableness.

24 This system works a hardship on the customers of  
25 large, dispersed districts. To effectively challenge  
26 something as fundamentally important as water rates,  
27 citizens must spend money to organize a petition  
28 drive to bring the matter before the Public Utilities  
29 Commission.

30 This bill allows each water company, through a  
31 vote of its customers at an annual meeting, to spec-  
32 ify how its rate increase filings will be governed.

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