

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

1 SECOND REGULAR SESSION  
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE  
4

5 Legislative Document

No. 1883

6  
7 H.P. 1438

House of Representatives, January 10, 1984

8 Submitted by the Department of Public Advocate pursuant to Joint Rule  
9 24.

10 Reference to the Committee on Public Utilities is suggested and ordered  
printed.

EDWIN H. PERT, Clerk

Presented by Representative Vose of Eastport.

11 Cosponsors: Representative Bost of Orono, Senator Baldacci of  
Penobscot and Representative Matthews of Winslow.

12 STATE OF MAINE  
13

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

17 AN ACT to Amend the Electric Rate  
18 Reform Act Regarding Electric Utility  
19 Financing or Subsidization of Capital  
20 Improvements Undertaken by Ratepayers.  
21

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

24 35 MRSA, §94, first ¶, as enacted by PL 1977, c.  
25 521, is amended to read:

26 The Public Utilities Commission shall mandate,  
27 after notice and hearing on the proposed schedule, a  
28 scheduled phasing-in of the improvements in electric  
29 utility rate design and related regulatory programs  
30 approved under section 93 and is authorized to order  
31 utilities to develop and implement electric utility  
32 rate design improvements approved by the commission  
33 on temporary, pilot and experimental basis, affecting  
34 either a portion or all of any class of consumers of  
35 any utility as the commission may determine is appro-

1 puate to carry out the purposes of this Act, and or-  
2 der other energy conservation techniques, programs  
3 and innovations relating to electric public utility  
4 service that, in the commission's judgment, are prac-  
5 ticable, just and reasonably related to fulfilling  
6 the purposes of this chapter. In ordering any rate  
7 design improvements, or a program calling for elec-  
8 tric utility financing or subsidization of capital  
9 improvements undertaken by ratepayers to conserve the  
10 ratepayer's future use of electricity, the commission  
11 shall consider and assure the revenue requirements of  
12 the utility. In ordering any program of electric  
13 utility financing or subsidization of capital im-  
14 provements to conserve the ratepayer's future use of  
15 electricity, the commission shall at the same time  
16 provide for the prompt recovery from ratepayers of  
17 the reasonable start-up costs of the program. The  
18 commission may permit a utility to capitalize the  
19 value of capital improvements undertaken by  
20 ratepayers which were accomplished through electric  
21 utility financing or subsidization to the extent of  
22 the investment by the utility.

23 STATEMENT OF FACT

24 This bill permits the Public Utilities Commission  
25 to give rate base treatment to those capital improve-  
26 ments made by ratepayers through the use of financing  
27 or subsidies provided by an electric utility. The  
28 bill recognizes that capital improvements made by a  
29 ratepayer can achieve a similar result to the con-  
30 struction of new electricity sources. For example,  
31 insulation which reduces demand has the same effect  
32 as building a new plant to meet increasing demand.  
33 This bill authorizes the commission to give recogni-  
34 tion to the interrelationship of supply increases and  
35 demand reductions. The bill, also, requires the Pub-  
36 lic Utilities Commission to assure that utilities re-  
37 cover the costs of such programs and that there is a  
38 prompt recovery by the utility of the reasonable  
39 start-up costs of the program.

40 5317120283