

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 1884
6

7 H.P. 1439

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 Matthews of Winslow.

11 Cosponsors: Representative Bost of Orono, Senator Kany of Kennebec
and Representative Roderick of Oxford.

12 STATE OF MAINE
13

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

17 AN ACT to Permit the Public Utilities
18 Commission to Adjust for Changes in
19 Capacity Charges in Fuel Cost Adjustment
20 Proceedings.
21

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

24 35 MRSA, §131, sub-§4, as amended by PL 1983, c.
25 322, §1, is further amended to read:

26 4. Scope of adjustment. Changes in the cost of
27 fuel consumed in the electric utility's generating
28 stations and changes in the cost of power purchased
29 by the electric utility for use in Maine shall con-
30 stitute the only items subject to adjustment, pursu-
31 ant to regulations promulgated by the commission un-
32 der this section. These changes in the cost of pur-
33 chased power which are subject to that adjustment
34 shall exclude all capacity charges, except that, to
35 the extent the commission deems just and reasonable,

1 capacity charges for power purchased from small power
2 producers or cogenerators, as defined in section
3 2323, may be included in the adjustment. Credits re-
4 ceived by the utility for fuel or the fuel component
5 of either purchased power or power sold to other
6 utilities, including, but not limited to, credits as-
7 sociated with purchased energy or energy sold which
8 are received, from the savings fund of the New
9 England Power Exchange, shall be considered changes
10 in the cost of fuel for the purposes of the fuel cost
11 adjustment, pursuant to regulations promulgated by
12 the commission under this section.

13 STATEMENT OF FACT

14 The current fuel adjustment law provides that
15 changes in the capacity charges for purchased power,
16 other than capacity charges from small power produc-
17 ers and cogenerators, shall not be included in the
18 cost of power subject to adjustment. There have been
19 instances where the actual cost to a utility has var-
20 ied from the estimated cost such that either the
21 utility or the consumer was unjustly penalized. If
22 the capacity component of purchased power was subject
23 to adjustment, then the actual reasonable cost of
24 that power, and no more or no less, would be subject
25 to recovery from ratepayers.

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