

1	(New Draft of H.P. 1406, L.D. 1828)
2 3	SECOND REGULAR SESSION
4 5	ONE HUNDRED AND ELEVENTH LEGISLATURE
6 7	Legislative Document No. 2323
8	H.P. 1760 House of Representatives, March 22, 1984
9	Reported by Representative Matthews from the Committee on Public
10	Utilities and printed under Joint Rule 2. Original bill presented by Representative Ridley of Shapleigh.
. 11	Cosponsored by Representative Weymouth of West Gardiner, Representative Vose of Eastport and Senator Emerson of Penobscot. EDWIN H. PERT, Clerk
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13 14	STATE OF MAINE
15	IN THE YEAR OF OUR LORD
16 17	NINETEEN HUNDRED AND EIGHTY-FOUR
18	AN ACT to Clarify Utility Financing
19 20	of Energy Conservation.
. 21 . 22	Be it enacted by the People of the State of Maine as follows:
23	Sec. 1. 35 MRSA §94, as amended by PL 1981, c.
24 25	305, is repealed and the following enacted in its place:
26	§94. The Public Utilities Commission shall require
27	the necessary improvements
28	1. Rate design and conservation improve-
29	ments. The Public Utilities Commission shall man-
30	date, after notice and hearing on the proposed sched-
31 32	ule, a scheduled phasing-in of the improvements in electric utility rate design and related regulatory
32	programs approved under section 93 and is authorized
34	to order utilities to develop and implement electric

utility rate design improvements approved by the com-1 2 mission on temporary, pilot and experimental basis, 3 affecting either a portion or all of any class of 4 consumers of any utility as the commission may deter-5 mine is appropriate to carry out the purposes of this 6 Act, and order other energy conservation techniques, 7 programs and innovations relating to electric public utility service that, in the commission's judgment, 8 are practicable, just and reasonably related to ful-9 10 filling the purposes of this chapter. In ordering 11 any rate design improvements or any other programs for implementing energy conservation techniques and 12 innovations referred to in section 93, the commission 13 14 shall consider and assure the revenue requirements of 15 the utility.

16 2. Initial cost recovery. In assuring the reve-17 nue requirements of the utility with respect to pro-18 grams for implementing energy conservation techniques 19 or innovations, the commission shall, upon petition, 20 permit the utility to adjust rates to recover the 21 reasonable incremental costs associated with imple-22 menting those programs to the extent that the costs 23 are not already reflected in the utility's existing 24 rates and provided that that adjustment does not re-25 sult in rates that are unjust or unreasonable. The 26 adjustment shall include reasonable costs of all programs ordered under this chapter incurred as of the 27 28 time of the adjustment and reasonable estimated costs 29 of operating the conservation programs.

30 <u>3. Rules. Within 90 days of the effective date</u> 31 of this Act, the commission shall adopt rules imple-32 menting the requirements of subsection 2. Notwith-33 standing any other provision of this Title, such 34 rules may include:

- A. Procedures to periodically reconcile or adjust any rate adjustment ordered under subsection
  2 or similar costs reflected in the utility's existing rates;
- B. Procedures which provide incentives and
   disincentives for the effective implementation of
   this Act; and

C. Procedures to provide for the financial cost or benefit of under-collection or over-collection.

3 4. Federal standards. On its own initiative or 4 during a rate proceeding, and to the extent that is feasible, the commission shall consider and adopt the 5 6 federal standards established in the United States 7 Public Utility Regulatory Policies Act of 1978, Public Law 95-617. If, and to the extent that, the com-8 9 mission should decide not to adopt any of the federal 10 standards referred to in this section, it shall set forth fully and adequately the facts and the ratio-11 12 nale supporting the rejection of the standards.

13 <u>5. Load management devices. The Public Utili-</u> 14 <u>ties Commission shall mandate, in any electric utili-</u> 15 <u>ty rate schedule approved or taking effect after Jan-</u> 16 <u>uary 1, 1983, a rate for any user who installs a load</u> 17 <u>management device, approved by the commission, which</u> 18 <u>reflects the savings to the utility resulting from</u> 19 <u>the use of the device.</u>

20 Sec. 2. Transition. Any electric utility sub-21 ject to order to implement conservation programs un-22 der this chapter may apply to the commission for an 23 interim rate adjustment under the Revised Statutes, Title 35, section 94, subsection 2, with respect to 24 any charges incurred within 2 years prior to the ef-25 26 fective date of this Act, whether or not a case or-27 dering such implementation is pending before the com-28 mission on the effective date of this Act.

## STATEMENT OF FACT

30 This new draft establishes procedures for fairly 31 compensating utilities for the cost of participation 32 in rate design improvement programs under the Elec-33 tric Rate Reform Act.

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