

MAINE STATE LEGISLATURE

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1 (EMERGENCY)
2 FIRST REGULAR SESSION
3

4 ONE HUNDRED AND TWELFTH LEGISLATURE
5

6 Legislative Document

No. 583

7
8 H.P. 417

House of Representatives, February 14, 1985

9 Submitted by the Public Utilities Commission pursuant to Joint Rule 24.
10 Referred to the Committee on Utilities. Sent up for concurrence and
ordered printed. Ordered sent forthwith.

11 EDWIN H. PERT, Clerk

Presented by Representative Vose of Eastport.

12 Cosponsored by Senator Baldacci of Penobscot, Representative
McGowan of Canaan and Senator Andrews of Cumberland.

13 STATE OF MAINE
14

15 IN THE YEAR OF OUR LORD
16 NINETEEN HUNDRED AND EIGHTY-FIVE
17

18 AN ACT to Increase the Annual Public
19 Utilities Commission Regulatory Fund
20 Assessment and to Clarify the Current
21 Statutes.
22

23 **Emergency preamble.** Whereas, Acts of the Legis-
24 lature do not become effective until 90 days after
25 adjournment unless enacted as emergencies; and

26 Whereas, the 90-day period may not terminate un-
27 til the summer of 1985; and

28 Whereas, the Public Utilities Commission requires
29 additional funds in fiscal years 1985-86 and 1986-87
30 for ongoing services in order to ensure reliable ser-
31 vice at just and reasonable rates for Maine
32 ratepayers; and

33 Whereas, these funds must be assessed by May 1,
34 1985, in order to be available in fiscal year
35 1985-86; and

1 Whereas, in the judgment of the Legislature,
2 these facts create an emergency within the meaning of
3 the Constitution of Maine and require the following
4 legislation as immediately necessary for the preser-
5 vation of the public peace, health and safety; now,
6 therefore,

7 Be it enacted by the People of the State of Maine as
8 follows:

9 Sec. 1. 35 MRSA §17, sub-§1, as amended by PL
10 1983, c. 821, §1, is further amended to read:

11 1. Utilities subject to assessments. Every elec-
12 tric, gas, telegraph, telephone and water utility
13 subject to regulation by the commission and every wa-
14 ter carrier subject to the jurisdiction of the com-
15 mission pursuant to private and special Act of the
16 Legislature shall be subject to an assessment of not
17 more than .25% on its intrastate gross operating rev-
18 enues to produce no more than ~~\$1,294,000~~ \$1,894,000
19 in revenues annually beginning in the ~~1984-85~~ 1985-86
20 fiscal year and no more than \$1,939,000 in revenues
21 annually beginning in the 1986-87 fiscal year. ~~Net-~~
22 ~~withstanding any other provision of law, the amount~~
23 ~~of annual revenue to be raised by this section shall~~
24 ~~be increased by an additional \$300,000 to supplant an~~
25 ~~equal amount of General Fund revenues used previously~~
26 ~~to fund commission activities which shall instead be~~
27 ~~appropriated for the use of the Public Advocate. The~~
28 commission shall determine the assessments annually
29 prior to May 1st and shall assess each utility for
30 its pro rata share. Each utility shall pay the as-
31 sessment charged to the utility on or before July 1st
32 of each year.

33 A. The assessments charged to utilities under
34 this section shall be deemed just and reasonable
35 operating costs for rate-making purposes.

36 B. For the purposes of this section, intrastate
37 gross operating revenues means intrastate reve-
38 nues derived from filed rates, except revenues
39 derived from sales for resale.

1 C. Gas utilities subject to the jurisdiction of
2 the commission solely with respect to safety
3 shall not be subject to any assessment until such
4 time as the commission has reviewed the scope and
5 cost of such jurisdiction and an assessment or
6 fee structure is authorized by the Legislature.

7 D. The commission may at its discretion correct
8 any errors in the assessments by means of a cred-
9 it or debit to the following year's assessment
10 rather than reassessing all utilities in the cur-
11 rent year.

12 Sec. 2. 35 MRSA §17, sub-§4, as amended by PL
13 1983, c. 821, §2, is further amended to read:

14 4. Use of funds. The Public Utilities Commission
15 is authorized to fund ~~35~~ 39 employees ~~beginning in~~
16 ~~the 1984-85 fiscal year~~ and 2 seasonal legal
17 researchers from the revenues provided in this sec-
18 tion to defray the costs incurred by the commission
19 pursuant to this Title and to include administrative
20 expenses, general regulatory expenses, consulting
21 fees and all other reasonable costs incurred to ad-
22 minister this Title. Notwithstanding any other pre-
23 vision of law, the number of employees funded by this
24 section shall be increased by 10 on the effective
25 date of this Act establishing the Public Advocate to
26 compensate for an equivalent reduction in the number
27 of employees funded by the General Fund revenues
28 which elsewhere in this section are appropriated for
29 the use of the Public Advocate.

30 Sec. 3. Allocation. Income not otherwise allo-
31 cated from the Public Utilities Commission Regulatory
32 Fund is allocated for the fiscal years ending June
33 30, 1986, and June 30, 1987, and shall be segregated,
34 apportioned and disbursed as designated in the fol-
35 lowing schedule:

| | <u>1985-86</u> | <u>1986-87</u> |
|----|------------------------------------|------------------------------|
| 36 | | |
| 37 | <u>PUBLIC UTILITIES COMMISSION</u> | |
| 38 | Positions | (2) (2) |

| | | | |
|---|-------------------|------------------|------------------|
| 1 | Personal Services | \$ 9,340 | \$ 9,340 |
| 2 | All Other | <u>290,660</u> | <u>335,660</u> |
| 3 | Total | <u>\$300,000</u> | <u>\$345,000</u> |

4 **Emergency clause.** In view of the emergency cited
5 in the preamble, this Act shall take effect when ap-
6 proved.

1

STATEMENT OF FACT

2 This bill raises the annual Public Utilities Reg-
3 ulatory Fund assessment by \$300,000 to a total of
4 \$1,894,000 beginning in fiscal year 1985-86 and by an
5 additional \$45,000 to a total amount of \$1,939,000
6 beginning in fiscal year 1986-87. Together with the
7 General Fund appropriation and the existing level of
8 the Public Utilities Regulatory Fund assessments,
9 these increases will provide the Public Utilities
10 Commission with sufficient funds to carry out its du-
11 ties. The additional funds will be used to fund in-
12 creases in the cost of doing business, including gen-
13 eral operating expenses, training and consulting ser-
14 vices.

15 This bill establishes 2 seasonal legal researcher
16 positions on a permanent basis. This type of posi-
17 tion has previously been established on a
18 year-to-year basis.

19 This bill also clarifies the Public Utilities
20 Regulatory Fund assessment law by:

21 1. Correcting an error in the number of posi-
22 tions funded by the regulatory fund;

23 2. Allowing the commission to correct errors in
24 the assessments by means of a credit or debit to the
25 following year's assessment rather than by
26 reassessing all utilities in the current year;

27 3. Removing gas utilities subject only to the
28 safety jurisdiction of the commission from the as-
29 sessment until such time as the commission has con-
30 ducted a review and the Legislature has authorized an
31 assessment or fee structure; and

32 4. Combining the additional \$300,000 assessment
33 and position count associated with creation of the
34 Office of the Public Advocate with the commission's
35 regular assessment and position count.

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