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	SECOND REGULAR	SESSION
ONE	HUNDRED AND TWEL	FTH LEGISLATURE
Legislative Docu	ment	No. 1723
S.P. 669		In Senate, December 23, 1985
Received by the	e Secretary of the Senat	mission pursuant to Joint Rule 24. e on December 23, 1985. Referred dered printed pursuant to Joint
Cosponsored	tor Baldacci of Penobsco by Representative Richar	. O'BRIEN, Secretary of the Senate ot. d of Madison, Representative icholson of South Portland.
	STATE OF M	AINE
NI	IN THE YEAR OF NETEEN HUNDRED A	
AN ACT to	Make Changes in Public Util	the Laws Governing ities.
Be it enacted follows:	by the People o	f the State of Maine as
237, is furth	35 MRSA §13-A, a her amended by ad paragraph to read	s amended by PL 1983, c. ding after the 2nd para- :
pany shall fi ule of transm projects whith next 5 years become, or w or more. The showing the the commission	le annually with dission line re ch it intends concerning trans vill remain at, v e schedule shall	to carry out during the mission lines that will oltages of 100 kilovolts describe each project, and estimated cost. If

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1 then be required to comply with the provisions of 2 this section with respect to that project. The ab-3 sence of a commission notification to file shall not 4 preclude such notification in subsequent years.

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Sec. 2. 35 MRSA §13-A, 7th ¶, as enacted by PL 1983, c. 237, is amended to read:

7 When the petition is filed, the electric company or companies involved shall pay to the Public Utili-8 ties Commission an amount equal to 2/100th of 1% of 9 10 the estimated cost of the purchase or conversion to erect, rebuild or relocate the facility as may be 11 applicable. The utility or utilities may, 12 at the time of the filing of notice of its intent to file 13 the petition, request the commission to waive all or 14 15 a portion of the filing fee. The commission shall 16 rule on the request for waiver within 60 days. Not-17 withstanding any other provision of law, filing fees 18 paid as required under this paragraph shall be segregated, apportioned and expended by the Public Utili-19 20 ties Commission for the purposes of this section. Any 21 portion of the filing fee that is received from any utility or utilities and is not expended by the com-22 23 mission to process the petition for a certification 24 of public convenience and necessity shall be returned 25 to the utility or utilities.

26 Sec. 3. 35 MRSA §19, first ¶, as repealed and 27 replaced by PL 1985, c. 506, Pt. A, §72, is amended 28 to read:

29 All money collected by the Public Utilities Commission in the form of filing fees or, expense reim-30 31 bursements ordered by the commission or payments for services, such as reproduction and distribution of 32 33 copies of commission decisions and photocopying or 34 for the use of facilities, shall be deposited with 35 the Treasurer of State in an account to be known as 36 the Public Utilities Commission Reimbursement Fund, 37 which shall be a continuous carrying account, with appropriate subaccounts, for reimbursement of commis-sion expenses incurred in processing the associated 38 39 40 matters or providing the associated services or 41 facilities which generated the filing fee er, expense reimbursement or payment and so much thereof as may 42 be required is appropriated allocated for these pur-43

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1 poses and for refund of the unexpended portion of the 2 filing fee. All such payments shall be made to the 3 commission after approval of the State Controller and 4 in no event may the payments exceed the amounts re-5 ceived by the Treasurer of State from the Public 6 Utilities Commission.

7 Sec. 4. 35 MRSA §72, 2nd ¶, as amended by PL 8 1983, c. 214, §1, is further amended to read:

9 Municipal and quasi-municipal water corporations 10 which elect to set rates under this section shall not 11 file with the commission or increase any rate, toll 12 or charge without first holding a public hearing at 13 which any person, firm or corporation which pays 14 tolls or charges to the municipal or those rates, 15 quasi-municipal water corporations may testify and 16 may question the officials present regarding such 17 proposed increase. The municipal or quasi-municipal 18 water corporation as described in this section shall, least 14 days prior to the hearing, publish a no-19 at 20 tice of the proposed rate increase and the hearing 21 including the date, time, place and purpose of the 22 hearing at least twice in a newspaper of general cir-23 culation in the area encompassed by the municipal or 24 quasi-municipal water corporation. In addition, each 25 municipal or quasi-municipal water corporation shall 26 give one notice of the proposed rate increase and the 27 date, time and place of the hearing to each of its 28 ratepayers. The published and individual notices 29 shall include a statement describing the amount of 30 the increase and the percentage increase for each 31 customer class. At the commencement of each hearing 32 held pursuant to this section, the municipal or qua-33 si-municipal water corporation shall inform those 34 present that the rate increase may be investigated by 35 the Public Utilities Commission in accordance with 36 this section. The water utility shall file its 37 changed rates with the commission within 30 days of 38 the public hearing, but not sooner than 10 days fol-39 lowing the public hearing.

40 Sec. 5. 35 MRSA §73, sub-§5, ¶E, as enacted by 41 PL 1981, c. 438, §5, is amended to read:

42E. To provide for a contingency reserve fund43allowance by providing rates to reflect up to a

5% addition to yearly revenues over what is required to operate the water company, in accordance with section 3311. If this allowance results in an excessive surplus, rates may be set which use the excess to offset future revenue requirements.

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Sec. 6. 35 MRSA §104, sub-§3, as amended by PL 1985, c. 481, Pt. C, §10, is further amended to read:

9 3. Consent by commission. No public utility may 10 extend or receive credit or make or receive a loan to 11 or from an affiliated interest or make any contract 12 or arrangement for the furnishing of management, supervision of construction, engineering, accounting, 13 14 legal, financial or similar services, or for the fur-15 nishing of any service other than those enumerated with any affiliated interest unless and until such 16 17 contract or arrangement shall have been found by the commission not to be adverse to the public interest 18 19 and shall have received its written approval.

20 Any such contract or arrangement filed with the com-21 mission hereunder shall be deemed approved unless the 22 commission disapproves such within 60 days of filing. 23 The commission may, however, suspend the effective 24 date of the contract or arrangement for an additional 25 60 days if necessary to enable the commission to com-26 plete its review of the contract or arrangement.

27 The commission may approve a contract or arrangement 28 undertaken subsequent to the effective date of this Act, subject to such terms and, conditions and requirements as it deems necessary to safeguard the 29 30 public interest. If such contracts or arrangements 31 32 are not consented to or approved by the commission as 33 provided in this section, that contract or arrange-34 ment is void and the commission may disallow, for 35 rate-making purposes, payments or such part of any 36 such payments thereunder as the commission finds not 37 to be in the public interest.

38 The commission shall, in the case of any utility or 39 groups of utilities, have the power to exempt 40 herefrom, from time to time, such classes of transac-41 tions as it may specify by rule or regulation in ad-42 vance and which in its judgment will not be adverse 43 to the public interest.

Commission approval of any such contract or arrange-1 2 ment under this section shall not limit or restrict 3 the powers of the commission in determining and fixing any rate, fare, toll, charge, classification, 4 5 schedule or joint rate as provided in this Title. 6 Sec. 7. 35 MRSA §171, sub-§5 is enacted to read: 7 5. Short-term debt of certain utilities. Notwithstanding any limitations therein, subsection 1 shall apply to the issuance of notes or other evi-8 9 dences of indebtedness payable at periods of not more 10 than 12 months after the date of issuance, if: 11 12 A. The note or evidence of indebtedness is is-13 sued by a public utility as defined by the Federal Power Act, United States Code, Title 16, Sec-14 15 tion 824(e); and 16 B. The note or evidence of indebtedness, together with all other then outstanding notes and 17 drafts of a maturity of not more than 12 months 18 on which the public utility is primarily or sec-19 ondarily liable, aggregates more than 5% of the 20 par value of the other securities of the public 21 utility then outstanding. In the case of securi-ty having no par value, the par value for the 22 23 24 purpose of this subsection shall be the fair mar-25 ket value as of the date of the issue. 26 Sec. 8. 35 MRSA §175 is enacted to read: 27 §175. Approval of long-term leases No public utility may enter into a long-term lease with a term of 3 years or more without the 28 29 written approval of the commission. The commission's 30 31 procedure and standards governing approval shall be similar to those which apply to applications under 32 33 section 171. Sec. 9. 35 MRSA §292, as amended by PL 1983, 34 c. 35 141, §2, is repealed and the following enacted in its 36 place: 37 §292. Notice of complaint

1 The commission immediately upon the filing of 2 that complaint shall notify in writing the public utility complained of that a complaint has been made 3 4 and of the nature of the complaint. The utility shall 5 file its response to the complaint within 10 days of 6 the date the notice of complaint is issued. After 7 receipt of the response, if the commission is satis-8 fied that the utility has taken adequate steps to remove the cause of the complaint or that the complaint 9 is without merit, the complaint may be dismissed. If 10 11 the complaint is not dismissed, the commission may 12 allow for all parties to attempt to resolve the com-13 plaint to their mutual satisfaction or proceed to set 14 a hearing on the complaint pursuant to section 293. 15 The hearing shall be promptly set if a mutually satisfactory resolution does not appear to be forthcom-16 17 ing. In the absence of an informal disposition pursuant to Title 5, section 9053, the commission shall 18 19 render a decision upon the complaint no later than 9 20 months after its filing.

21 Sec. 10. 35 MRSA §355, as amended by PL 1985, c. 22 481, Pt. C, §24, is further amended to read:

23 §355. Illegal issue of stocks, bonds or notes; mis-24 appropriation of proceeds

25 Any director or officer of any public utility who 26 shall directly or indirectly issue or cause to be is-27 sued any stocks, bonds, notes or other evidences of 28 indebtedness contrary to this Title, or who shall apply the proceeds from the sale thereof to any other 29 purpose than that specified in the order of the com-30 31 mission shall, upon conviction thereof, be punished by a fine of not less than \$500 or by imprisonment 32 for not less than one year nor more than 10 years, or 33 34 by both.

35 Sec. 11. 35 MRSA §2326, as amended by PL 1983, 36 c. 822, §3, is further amended to read:

37 §2326. Transactions

38 The rate paid by the public utility for the pur-39 chase of electricity as described in this section 40 shall be determined by the small power producer or 41 cogenerator and the public utility electric company

or cooperative. In the event that the 1 small power 2 producer or cogenerator and the public utility elec-3 tric company or cooperative are unable to agree to a 4 contract for electricity, or to a price for the elec-5 tricity purchased by the public utility, or to an eq-6 uitable apportionment of existing transmission and 7 distribution line improvement costs, the commission 8 shall require the utility to purchase the power at such rates and under such terms as the commission 9 10 shall establish by rule or order. In the event com-11 peting petitions are filed by small power producers 12 or cogenerators which are otherwise equivalent with 13 respect to the standards set forth in section 2327, 14 and implementing rules promulgated by the commission, 15 the commission may give preference to any such facil-16 ity that is fueled primarily by municipal solid 17 The waste. equitable apportionment of existing 18 and distribution line improvement costs transmission 19 by the commission shall be based upon the benefits to 20 the small power producer or cogenerator and the pub-21 lic utility electric company or cooperative. The 22 commission shall render a decision within 90 days 6 23 months from receipt of a petition signed by a small 24 power producer, cogenerator, public utility electric 25 company or electric cooperative for commission 26 intercession.

- 27 Sec. 12. 35 MRSA §2361, as amended by PL 1983, 28 c. 531, §1, is further amended to read:
- 29 §2361. Telecommunication services for the deaf, 30 hearing impaired and speech impaired

31 Toll call rates. The commission shall estab-1. 32 lish, within 30 days after the effective date of this 33 Act, a 70% rate reduction for intrastate toll calls 34 from deaf and hearing impaired and speech impaired 35 persons who must rely on teletypewriters for residen-36 tial telephone communications. To qualify for the re-37 duction, a customer must file an affidavit, on a form approved by the Public Utilities Commission Division 38 39 Deafness, with the telephone company, stating of 40 that, due to deafness or hearing impairment or speech 41 impairment, he or a member of the household must rely 42 on a teletypewriter for telephone communications, and 43 that such equipment is connected or acoustically cou-44 pled to his telephone.

1 Moneys for telecommunication typewriters. The 2. 2 Bureau of Rehabilitation within the Department of Hu-3 man Services, pursuant to any appropriation of moneys to the bureau for telecommunication typewriters 4 for 5 the deaf, hearing impaired and speech impaired, 6 shall, upon request, provide up to 50% of the cost of 7 telecommunication typewriters to any organization or 8 municipality that makes available the remaining funds 9 for this equipment in a manner satisfactory to the 10 Director of the Bureau of Rehabilitation.

11 Telecommunications Equipment Fund. A Tele-З. 12 communications Equipment Fund is established. The 13 Office Division of Deafness in the Bureau of Rehabilitation may accept any gifts or grants for the pur-1415 poses of this section. These, and any authorized ap-16 propriations shall be deposited in the fund, and disbursed in accordance with this section. The fund may 17 18 be used for purchase, lease, upgrading, installation, maintenance and repair of special telecommunications equipment for the deaf, hearing impaired or speech 19 20 21 impaired. The Office Division of Deafness under the 22 Bureau of Rehabilitation may draw on the fund in ac-23 cordance with the Telecommunications Equipment Plan 24 required under subsection 4. The commission shall 25 include a progress report on this program in its an-26 nual report under section 177 subsection 2-

27 4. Telecommunications Equipment Plan. The 28 Division of Deafness shall develop a plan to ⊖££iee 29 make special telecommunications equipment available to deaf, hearing impaired and speech impaired per-30 31 sons, and to distribute moneys from the Telecommuni-32 cations Equipment Fund. The plan shall be developed by the Office Division of Deafness and approved by 33 34 the commission annually, not later than January 1st, 35 after appropriate notice and hearing in accordance with the rule-making procedures in Title 5, chapter 36 37 375. The plan shall provide for the expenditure of 38 moneys from the fund for the benefit of deaf, hearing impaired and speech impaired persons for the pur-39 40 chase, lease, upgrading, installation, maintenance 41 and repair of special telecommunications equipment 42 capable of serving their needs. Persons who are 43 profoundly deaf or speech impaired so that they can-44 not use the telephone for expressive or receptive 45 communications, as verified by a written report from

1 an otologist, audiologist or physician are eligible 2 for the assistance from the fund. The plan shall in-3 clude specific criteria that will govern the priorities assigned to various persons who need this equip-4 5 ment. The criteria shall take into account household 6 income, degree of impairment, need for emergency com-7 munications, living arrangements and other factors 8 relevant by the Office Division of Deafness. deemed

9 Sec. 13. 35 MRSA §3311, as enacted by PL 1979, 10 c. 455, is repealed.

11 Sec. 14. 35 MRSA §3358, as enacted by PL 1981, 12 c. 688, is amended to read:

13 §3358. Cost of review

The licensee shall submit to the commission, with 14 15 the initial filing or upon a subsequent formal review of a decommissioning financing plan under this 16 subchapter, a filing fee as determined by the commis-17 18 sion, but not to exceed \$35,000 \$50,000, in order to assist in covering the cost of review by the commis-19 20 sion. Within one year after establishment of a de-21 commissioning fund under this subchapter, the licens-ee may recover the licensing fee from the fund. Not-22 23 withstanding any other provision of law, money re-24 ceived from the filing fee shall be segregated, ap-25 portioned and expended by the Public Utilities Commission for the purposes stated in this section, with 26 a report to the joint standing committee of the Leg-27 having jurisdiction over appropriations and 28 islature 29 financial affairs. Any unexpended funds from the 30 filing fee shall be transferred to the decommission-31 ing trust fund after approval of the plan.

32 Sec. 15. Compliance. Any utility which has failed to comply with the Maine Revised Statutes, Ti-33 34 tle 35, section 3311, 2nd paragraph, shall not be re-35 quired to act in accordance with that section, but 36 shall be subject to the Maine Revised Statutes, Title 35, section 73, subsection 5, paragraph E, as amended 37 38 by section 5 of this Act.

2 Section 1 clarifies the necessity for commission 3 approval of the repair, maintenance, rebuilding or 4 relocation of existing transmission lines of 100 5 kilovolts or more. The Maine Revised Statutes, Title 6 35, section 13-A, currently requires commission ap-7 proval when any electric utility proposes to erect 8 certain generating or transmission facilities. There 9 has been uncertainty as to the application of this law to the repair, maintenance or rebuilding of 10 The Public Utilities Com-11 transmission facilities. 12 mission has attempted to reduce the confusion bv means of an advisory ruling (Docket No. 83-250), but 13 14 statutory clarification appears preferable. This 15 bill provides this clarification by requiring approv-16 al of projects which involve an upgrade in voltage to 17 100 kilovolts or which the Public Utilities Commission notifies the utility it wishes to investigate. 18 The bill requires electric utilities to file a sched-19 20 ule of transmission line reconstruction projects with 21 the commission on an annual basis. If the commission 22 believes that a reconstruction project should be in-23 vestigated, it will have the power to require a filing under the Maine Revised Statutes, Title 35, sec-24 25 tion 13-A.

26 Section 2 deletes an erroneous reference to "the 27 purchase or conversion" in the Maine Revised Stat-28 utes, Title 35, section 13-A, and substitutes correct 29 language.

30 Section 3 provides that payments received by the 31 Public Utilities Commission for such incidental ser-32 vices as reproduction and distribution of commission decisions, photocopying and mailing of documents, and 33 34 use of photocopying and other services or facilities 35 will be deposited in the Public Utilities Commission 36 Reimbursement Fund, from which the commission may 37 then be reimbursed for its associated costs.

38 Section 4 assures that the notices issued by a 39 municipal or quasi-municipal water utility which 40 elects to set its own rates by holding a hearing con-41 tain an adequate description of the amount of the 42 proposed increase and its impact on the ratepayers.

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At the present time, the law merely requires that 1 2 they "publish a notice of the proposed rate increase and the hearing" and "give one notice of the proposed 3 4 rate increase and the date, time and place of the 5 hearing to each of its ratepayers." The law does not 6 require the utility to include sufficient detail concerning the amount of the rate increase so as to ap-7 prise a customer of its impact. This bill requires 8 9 the utility notices to include the amount of the in-10 crease and its impact on the rates of various custom-11 The bill also removes the requirement er classes. 12 that the utility publish a notice twice. A single 13 publication is sufficient in light of the requirement 14 that individual notice is also required to be pro-15 vided to each of its ratepayers.

16 5, 13 and 15 clarify the current statu-Sections tory provisions governing the creation of 17 a reserve 18 fund for municipal and quasi-municipal water utili-19 ties and delete unreasonable restrictions associated 20 with that creation. The Maine Revised Statutes, Ti-21 tle 35, section 3311, authorizes the commission to 22 provide that municipal and quasi-municipal water 23 utilities may collect rates to establish a contingen-24 cy fund to be accrued by collecting up to an addi-25 Title 35, section tional 5% in annual revenues. 3311, 2nd paragraph, further provides that any 26 reve-27 nues collected in excess of the limitations set forth 28 must be transferred to the sinking fund or applied in 29 payment on outstanding debt. If the utility has no 30 sinking fund or outstanding debt, the excess must be 31 returned to the customers. This bill deletes Title 35, section 3311, and leaves the general language 32 in 33 Title 35, section 73, thereby allowing the water 34 utility discretion in the application of any excess. 35 exercise of this discretion would be subject to The 36 commission oversight. The purpose of the bill is to 37 remove the inflexible standards in Title 35, section 38 3311, 2nd paragraph, which may require inefficient or 39 uneconomic disposition of any excess revenues, for 40 example the premature retirement of inexpensive debt. The bill also adds the requirement that any excessive 41 42 surplus be used to reduce future rates.

43 Section 6 provides that a contract between a pub-44 lic utility and an affiliated interest which is not 45 approved by the commission shall be void. The law

1 currently states that no public utility may make a 2 contract without first receiving approval and that 3 the commission may disallow for rate-making purposes 4 payments made pursuant to an unapproved contract 5 which it finds not to be in the public interest. If 6 a utility enters into an unapproved contract, it has 7 violated the law, but the contract is still recog-8 nized as valid and binding even though it may not be the utility's or customer's interest. The bill 9 in 10 remedies this deficiency by providing that a contract 11 does not exist unless first approved by the Public 12 Utilities Commission.

13 Section 7 provides that in certain circumstances 14 the Public Utilities Commission must approve short-15 term debt issued by a public utility which is subject 16 to the Federal Power Act. The Federal Power Act pro-17 vides for regulation by the Federal Energy Regulatory Commission of electric utilities which sell wholesale 18 19 power in interstate commerce. The Federal Energy 20 Regulatory Commission must approve their short-term 21 debt issuances which together with outstanding short-22 term debt exceeds 5% of the utility's other debt. 23 (The Federal Power Act, United States Code, Title 16, 24 Section 824c(e).) Federal law also provides that Fed-25 eral Energy Regulatory Commission approval is not re-26 quired where state regulation exists. (The Federal 27 Power Act, United States Code, Title 16, Section 28 824c(f).) The purpose of this section is to provide 29 for state regulation instead of federal regulation of only those short-term debt issuances which are cur-30 31 rently subject to federal legislation.

32 Section 8 enacts a provision which requires com-33 mission approval before the utility enters into a 34 long-term lease. The law currently required commis-35 sion approval before a public utility may issue 36 stocks, bonds, notes or other evidences of indebted-37 ness, payable at periods of more than 12 months after date of the issuance. This bill requires the 38 the 39 Public Utilities Commission approval of long-term 40 leases with a term of 3 years or more. Long-term leases are recognized means of financing and should 41 42 be subject to the Public Utilities Commission review to the same extent as other long-term financing meth-43 44 ods.

1 Section 9 provides for the informal resolution of 2 10-person complaints against utilities without the 3 need for a formal hearing in every case. The law currently may be read to require that, if 4 after the 5 expiration of 7 days after a utility is notified by 6 the Public Utilities Commission of the filing of а 7 10-person complaint, the utility has not reformal 8 moved the cause of the complaint to the satisfaction 9 of the commission, the commission shall proceed to set a time and place for a hearing, 10 which shall be 11 promptly set. In most cases, 7 days is not an ade-12 quate amount of time during which the commission may 13 determine whether the cause of the complaint is re-14 moved to its satisfaction. Furthermore, the filing 15 a formal 10-person complaint is often followed by of 16 a period during which the utility, the customers and the commission staff may 17 attempt to work out an 18 agreeable resolution. This informal process should 19 be allowed sufficient time before the commission must 20 make its determination and set a formal hearing. The 21 bill requires the utility to file its response within 22 10 days, but allows the commission adequate addition-23 time to determine if the cause of the complaint al 24 has been removed to its satisfaction and allows for 25 attempts at informal resolution.

26 Section 10 removes the mandatory imprisonment 27 penalty found in the law governing the illegal issue 28 of utility securities or misappropriation of the pro-29 The law currently provides that a person receeds. 30 sponsible for the illegal issuance of public utili-31 ties securities or the application of the proceeds 32 for a purpose other than that specified in the order 33 of the commission shall, upon conviction, be punished 34 imprisonment for not less than one year and not by 35 more than 10 years. This bill provides the addition-36 al sanction of a fine, as now exists for the making 37 of false statements as to the issue of securities, so 38 that imprisonment is not the only penalty.

39 Section 11 extends the period during which the 40 commission must render a decision on a disputed con-41 tract between a utility and a small power producer or 42 from 90 days to 6 months. The law curcogenerator 43 rently allows the Public Utilities Commission only 90 44 days to render a decision when it is petitioned to 45 resolve a dispute between a utility and a small power producer or cogenerator. In cases of substantial disagreement, there may be considerable litigation which cannot be concluded within 90 days.

4 Section 12 deletes the requirements that the af-5 fidavit of a speech or hearing impaired person and 6 the Telecommunications Equipment Plan, which is de-7 veloped annually by the Division of Deafness of the 8 Bureau of Rehabilitation, must be approved by the Public Utilities Commission. The social and policy 9 10 considerations involved in decisions as to the proper 11 allocation of funds to assist the hearing and speech impaired are not within the primary areas of commis-12 13 sion responsibility. These decisions are better to 14 remain with the Division of Deafness. Although the 15 commission's expertise in hearing procedure may have 16 been required previously, it now appears that the Di-17 vision of Deafness should be able to conduct any nec-18 essary proceedings.

19 Section 14 increases the fee to be submitted upon 20 the filing of a decommissioning financing plan from 21 \$35,000 to \$50,000 in order to more adequately cover 22 the costs incurred by the Public Utilities Commission 23 in reviewing the plan. The bill also provides that 24 the commission may require a filing fee to cover the 25 costs of any subsequent formal review of the plan.

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