

MAINE STATE LEGISLATURE

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(New Draft of H.P. 854, L.D. 1148)
(New Title)
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1767

H.P. 1289 House of Representatives, June 8, 1987
Reported by the Majority from the Committee on Utilities
and printed under Joint Rule 2.

EDWIN H. PERT, Clerk

Original bill sponsored by Representative WEBSTER of Cape
Elizabeth. Cosponsored by Representatives CLARK of
Millinocket, BRAGG of Sidney, and Senator BALDACCI of
Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

AN ACT to Limit Electric Hook-up Fee
Requirements by Electric Utilities.

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

Sec. 1. 35-A MRSA §3153, as enacted by PL 1987,
c. 141, Pt. A, §6, is repealed.

Sec. 2. 35-A MRSA §3153-A is enacted to read:

§3153-A. Public Utilities Commission to develop pro-
posals to improve electric utility rate de-
sign

1 1. Proposals and programs developed. The com-
2 mission, as it determines appropriate, shall order
3 electric utilities to develop and submit specific
4 rate design proposals and related programs for imple-
5 menting energy conservation techniques and innova-
6 tions, either in conjunction with or independent of
7 any rate-making proceeding pending before the commis-
8 sion. The proposals, as the commission determines,
9 shall be designed to encourage energy conservation,
10 minimize the need for new electrical generating ca-
11 pacities and minimize costs of electricity to consum-
12 ers, and shall include, but not be limited to, pro-
13 posals which provide for the development and imple-
14 mentation of:

15 A. Load management techniques;

16 B. Rates which reflect marginal costs of ser-
17 vices at different voltages, times of day or sea-
18 sons of the year, including long-run marginal
19 costs associated with the construction of new
20 electric generating facilities;

21 C. Policies which encourage economic use of fuel
22 and the maximum efficient utilization of natural
23 energy resources indigenous to the State;

24 D. Rates or other regulatory policies which en-
25 courage electric utility system reliability; and

26 E. Electric utility financing or subsidization
27 of capital improvements undertaken by ratepayers
28 to conserve electricity used by the ratepayers in
29 the future.

30 2. Hook-up fees limited. Any electric hook-up
31 fee for residential customers approved by the commis-
32 sion is subject to the conditions provided in this
33 subsection. Except for recovery of the actual direct
34 cost of providing that service entrance, no electric
35 utility may impose a hook-up fee for:

36 A. The installation of a new electrical service
37 entrance for a dwelling which fulfills energy ef-
38 iciency requirements approved by the commission;

1 B. The installation or upgrade of an electrical
2 service entrance for a residential customer who
3 takes service under a tariff for controlled stor-
4 age heat;

5 C. The installation or upgrade of an electrical
6 service entrance of 125 amperes or less; or

7 D. The upgrade of any electrical service en-
8 trance existing before September 15, 1987.

9 **Sec. 3. Refund.** The Public Utilities Commission
10 shall provide by rule or order for the refund to the
11 paying customer of any hook-up fee collected on or
12 after May 1, 1987, which would not have been permit-
13 ted under the Maine Revised Statutes, Title 35-A,
14 section 3153-A, subsection 2, as enacted by this Act.

15 STATEMENT OF FACT

16 This new draft modifies the existing residential
17 electric hook-up fee policy of the Public Utilities
18 Commission to provide a positive incentive for con-
19 servation while retaining the principle of the Elec-
20 tric Rate Reform Act that costs should be assigned to
21 customers who cause them so that builders should be
22 assessed a charge for choosing construction tech-
23 niques that add to the utility system's peak capacity
24 requirement.

25 The new draft eliminates the hook-up fee for
26 homes that meet efficiency criteria approved by the
27 commission similar to Central Maine Power's "good
28 cents" home criteria, as well as for any home which
29 has a controlled off-peak storage heat system. For
30 technical and safety reasons, the new draft increases
31 the exempt service level from 100 to 125 amperes and
32 exempts upgrades of services existing before Septem-
33 ber 15, 1987.

34 Utilities may continue to charge customers for
35 the actual direct cost of line extension and instal-
36 lation required to provide service.

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