

MAINE STATE LEGISLATURE

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
114TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1474, L.D. 2059, Bill, "An Act to Amend the Fuel Adjustment Clause"

Amend the bill by striking out all of the title and inserting in its place the following:

'An Act to Initiate a Review of the Fuel Cost Adjustment for Electric Rates'

Further amend the bill by striking out everything after the title and before the statement of fact and inserting in its place the following:

'Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, this bill initiates a review by the Public Utilities Commission of the fuel cost adjustment for electric rates; and

Whereas, it is essential that the review begin as soon as possible in order to meet the reporting deadline of October 1, 1990; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. Review of fuel cost adjustment. The Public Utilities Commission, in consultation with the State Planning Office and the Public Advocate, shall review the fuel cost adjustment authorized by the Maine Revised Statutes, Title 35-A, section 3101. This review and analysis must include, but is not limited to:

2 1. The extent to which the existing fuel cost adjustment
4 for electric rates impedes the objectives of least-cost planning
and demand management as set forth in Title 35-A, chapter 31,
subchapters III and VI;

6
8 2. The extent to which a better targeting of incentives for
electric utility management of sales growth and off-system sales
10 to other utilities may be accomplished by revising the existing
fuel cost adjustment;

12 3. The extent to which economic development in the State
may be assisted by means of more meaningful incentives; and

14
16 4. The status of the commission's pending rulemaking on
regulatory reform and incentives and its relation to the fuel
cost adjustment issues in subsection 1.

18
20 **Sec. 2. Proceedings.** As part of the deliberations for this
review, at least one public hearing must be held, after notice to
22 all electric utilities and the general public, to solicit
comments concerning fuel cost adjustment.

24 **Sec. 3. Report; reporting date.** The Public Utilities Commission
shall submit a written report, including its findings,
26 recommendations and any proposed legislation, to the Joint
Standing Committee on Utilities no later than October 1, 1990. A
28 copy of that report must be submitted to the Executive Director
of the Legislative Council.

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32 **Emergency clause.** In view of the emergency cited in the
preamble, this Act takes effect when approved.

34
36 **FISCAL NOTE**

38 The Public Utilities Commission, the State Planning Office
and the Public Advocate will be able to absorb the additional
40 costs associated with this bill utilizing existing budgeted
resources.'

42
44 **STATEMENT OF FACT**

46
48 This amendment replaces the bill and requires the Public
Utilities Commission, in consultation with the State Planning
Office and the Public Advocate, to review the fuel cost
50 adjustment authorized by the Maine Revised Statutes, Title 35-A,
section 3101, and submit an analysis of the fuel cost adjustment
52 and the extent to which it meets or impedes the objectives of the

COMMITTEE AMENDMENT "A" to H.P. 1474, L.D. 2059

2 Maine energy policy and the Electric Rate Reform Act set forth in
Title 35-A, chapter 31, subchapters III and VI. This amendment
4 requires at least one public hearing to solicit comments from
electric utilities. The findings, recommendations and proposed
6 legislation from this review will be submitted to the Joint
Standing Committee on Utilities by October 1, 1990.

Reported by the Committee on Utilities
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