

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
SENATE  
115TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " A " to S.P. 19, L.D. 8, Bill, "An Act  
to Regulate Water Utilities"

Amend the bill by striking out everything after the enacting  
clause and before the emergency clause and inserting in its place  
the following:

'Sec. 1. 35-A MRSA §6102, as enacted by PL 1987, c. 141, Pt.  
A, §6, is repealed and the following enacted in its place:

§6102. Filing with the commission plans for construction or  
improvements of water systems

1. General requirements. Any water utility, before  
commencing construction of a new water system or a major addition  
to or alteration of an existing water system, shall file with the  
commission, in accordance with the commission's rules, plans and  
specifications for the construction, additions or alteration in  
order to obtain the advice of the commission as to cost, method  
of financing and adherence to proper engineering standards.

2. Certain construction or improvements; additional  
requirements Any water utility that, in whole or in part in  
consequence of the requirements of the federal Safe Drinking  
Water Act, 42 United States Code, Sections 300f to 300j-11, will  
incur expenses in the construction of any new water system or  
major addition to or alteration of an existing system that is  
likely to result in increases in rates, tolls or charges of more  
than 50% of the utility's annual operating revenues and that  
acquires preliminary engineering estimates after July 1, 1991  
shall:

A. Provide the commission with documentation of the

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2 preliminary engineering estimates of the costs of siting,  
3 engineering and operating the utility's proposed facility or  
4 water treatment system, or modification or alteration of any  
5 existing system, including identification of the costs of  
6 all modifications to existing waterworks, justification of  
7 the water utility's proposal and such further information as  
8 may be requested by the commission;

9  
10 B. For the purposes of comparison with the proposal  
11 submitted pursuant to paragraph A, provide the commission  
12 with documentation of the preliminary engineering estimates  
13 of the costs of siting, engineering and operating the next  
14 best alternative facility or water treatment system, or  
15 modification or alteration of any existing system, including  
16 identification of the costs of all modifications to existing  
17 waterworks and such other information as may be requested by  
18 the commission;

19  
20 C. Make available for public review upon request at a  
21 location and in a manner convenient to the water utility's  
22 ratepayers all information provided to the commission  
23 pursuant to paragraphs A and B;

24 D. Publish in a newspaper of general circulation in the  
25 service territory of the consumer-owned water utility a  
26 notice to customers that the information required in  
27 paragraphs A and B is available for public review at the  
28 location established pursuant to paragraph C and provide to  
29 each of the water utility's customers a direct written  
30 notice of the availability of that information; and

31  
32 E. Provide to the Department of Human Services the  
33 information provided to the commission pursuant to  
34 paragraphs A and B.

35  
36 Sec. 2. 35-A MRSA §6104, sub-§7, as amended by PL 1987, c.  
37 490, Pt. B, §12, is further amended to read:

38  
39 7. Authority to investigate rate changes. If, within 30  
40 days of the public hearing, 15% of the customers of the  
41 consumer-owned water utility or 1,000 customers, whichever is  
42 less, file with the treasurer of the utility and with the  
43 commission petitions demanding a review of the rate changes by  
44 the commission, the rate change may be suspended, investigated,  
45 reviewed and changed in accordance with section 310, except that  
46 no if a rate increase is more than 50% of the utility's annual  
47 operating revenues, the required number of petitions is 15% of  
48 the customers of the consumer-owned water utility or 500  
49 customers, whichever is less. No suspension order issued by the  
50 commission pursuant to section 310 may--be is effective for a  
51 period greater than 9 months from the date the rate changes were  
52 filed.'

Further amend the bill by inserting before the statement of fact the following:

**FISCAL NOTE**

This bill requires water utilities to provide information to the Public Utilities Commission and the Department of Human Services in certain situations when proposed construction is caused by the Safe Drinking Water Act. It also reduces, in certain instances, the number of customers required to petition the Public Utilities Commission to demand review of a consumer-owned water utility's rate change. The costs associated with both these changes to current statute can be absorbed within existing resources of the Public Utilities Commission and the Department of Human Services.'

**STATEMENT OF FACT**

This amendment eliminates the requirement of the original bill that the Public Utilities Commission approve certain rate increases of consumer-owned water utilities caused by the federal Safe Drinking Water Act. Instead, this amendment requires all water utilities to provide the commission, the customers and the Department of Human Services with information concerning any proposed construction or modification of its water system caused by the federal Safe Drinking Water Act which will result in increases in rates of more than 50%. This amendment also gives the Public Utilities Commission the authority to investigate rate increases by a consumer-owned water utility of more than 50% upon petition of 15% of the customers of the utility or 500 customers, whichever is less.

The amendment also adds a fiscal note.

Reported by Senator Cleveland for the Committee on Utilities.  
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