



# 115th MAINE LEGISLATURE

# FIRST REGULAR SESSION-1991

### Legislative Document

No. 686

H.P. 492

House of Representatives, February 20, 1991

Reference to the Committee on Utilities suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative OLIVER of Portland. Cosponsored by Representative HANDY of Lewiston, Representative HOLT of Bath and Representative ADAMS of Portland.

## STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND NINETY-ONE

An Act to Limit Compensation of Utility Executives to Comparable Salaries of State Officials.

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#### Be it enacted by the People of the State of Maine as follows: 2 Sec. 1. 35-A MRSA §301, sub-§4, ¶A, as enacted by PL 1987, c. 4 141, Pt. A, §6, is amended to read: 6 Shall provide such revenues to the utility as may be Α. required to perform its public service and to attract 8 necessary capital on just and reasonable terms; and Sec. 2. 35-A MRSA §301, sub-§4, ¶B, as amended by PL 1987, c. 10 377, is further amended to read: 12 в. May consider whether the utility is operating as efficiently as possible and is utilizing sound management 14 practices, -- including -- the -- treatment -- in -- rates - of -- executive 16 compensation. ; and Sec. 3. 35-A MRSA §301, sub-§4, ¶C is enacted to read: 18 20 C. Shall limit the amount of executive compensation that is recoverable in rates. The commission shall establish by rule a method that determines recoverable executive 22 compensation by comparing the compensation of executives with the compensation of state officials with similar duties 24 and responsibilities. 26 STATEMENT OF FACT 28 30 This bill amends existing law so that the Public Utilities Commission is not merely permitted to consider executive 32 compensation in setting utility rates but is required to limit the amount of executive compensation recoverable in rates.

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