

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 696

H.P. 502

House of Representatives, February 20, 1991

Reference to the Committee on Utilities suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative MELENDY of Rockland.

Cosponsored by Senator VOSE of Washington, Representative AIKMAN of Poland and Senator CARPENTER of York.

STATE OF MAINE

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

An Act to Clarify the Authority of the Public Utilities Commission to Set Rates of Water Utilities.

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

4 35-A MRSA §6111 is enacted to read:

6 §6111. Property held for future use

8 Notwithstanding section 303, the commission shall allow a
10 fair rate of return on property held for future use if the water
12 utility establishes that there is a reasonable likelihood that
14 the property will be used in the future to provide service.

16 STATEMENT OF FACT

18 Under current law, there are restrictions on the authority
20 of the Public Utilities Commission to include property held for
22 future use in setting rates. However, it is sometimes
24 appropriate and cost effective for water utilities to acquire
26 property prior to the time it is actually placed in service. For
example, water utilities occasionally have an opportunity to
acquire, on favorable terms, land that may be needed in the
future to comply with safe drinking water regulations. This bill
gives the Public Utilities Commission flexibility in regulating
such situations.