

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

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Legislative Document

No. 1428

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H.P. 983

House of Representatives, April 4, 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 ADAMS of Portland.

Cosponsored by Representative TREAT of Gardiner, Representative CLARK of Millinocket and Senator CLEVELAND of Androscoggin.

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STATE OF MAINE

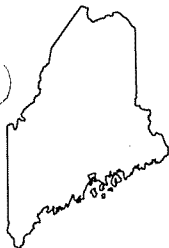
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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-ONE

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**An Act to Require Electric Utilities to Develop Proposals for Affordable Pricing for Low-income Residential Customers and for Financing Conversions from Electric Space Heat.**

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

2           Sec. 1. 35-A MRSA §3152, sub-§1, ¶A, as amended by PL 1987, c.  
4       769, Pt. A, §140, is further amended to read:

6           A. Require the commission to relate electric rates more  
8       closely to the costs of providing electric service; and

10          Sec. 2. 35-A MRSA §3152, sub-§1, ¶B, as enacted by PL 1987, c.  
12       141, Pt. A, §6, is amended to read:

14          B. Encourage the commission to set electric rates to  
16       promote the maximum efficient utilization of natural energy  
18       resources existing in the State in order to promote the use  
20       of indigenous energy resources to the extent that this will  
22       reduce overall electric costs; and

24          Sec. 3. 35-A MRSA §3152, sub-§1, ¶C is enacted to read:

26          C. Require the commission to consider the ability of  
28       low-income residential customers to pay in full for electric  
30       services as electric rates are redesigned consistent with  
32       these policies.

34          Sec. 4. 35-A MRSA §3153-A, sub-§1, as amended by PL 1987, c.  
36       769, Pt. A, §142, is further amended to read:

38          1. **Proposals and programs developed.** The commission, as it  
40       determines appropriate, shall order electric utilities to develop  
42       and submit specific rate design proposals and related programs  
44       for implementing energy conservation techniques and innovations,  
46       either in conjunction with or independent of any rate-making  
48       proceeding pending before the commission. The proposals, as the  
50       commission determines, shall must be designed to encourage energy  
conservation, minimize the need for new electrical generating  
capacity and, minimize costs of electricity to consumers and take  
into account the needs of low-income customers, and shall must  
include, but are not be limited to, proposals which that provide  
for the development and implementation of:

A. Load management techniques;

B. Rates which that reflect marginal costs of services at  
different voltages, times of day or seasons of the year,  
including long-run marginal costs associated with the  
construction of new electric generating facilities;

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

2 D. Rates or other regulatory policies which that encourage  
electric utility system reliability; and

4 E. Electric utility financing or subsidization of capital  
6 improvements undertaken by ratepayers to conserve  
8 electricity used by the ratepayers in the future. The  
10 commission may approve and allow cost recovery for proposals  
12 that result in savings in fuel other than electricity. This  
paragraph ~~shall apply~~ applies to future programs for utility  
financing of energy conservation or load management and to  
such programs that the commission has already approved prior  
to September 29, 1987+;

14 F. Conversions of electric space heat systems to systems  
16 relying on other fuels and other techniques for enabling  
18 homeowners and tenants to replace on-peak, winter period  
electric usage with less expensive sources of heat; and

20 G. Rates or bill payment assistance programs for  
22 residential customers who have been certified eligible for  
24 state or federal fuel assistance that recognize the  
difficulty of paying in full for electric service or that  
target assistance in the most efficient manner, recognizing  
the necessity of maintaining electric service.

26  
28 **STATEMENT OF FACT**

30 The purpose of this bill is to reduce local general  
32 assistance costs, if approved by the Public Utilities Commission,  
and help the State's environment as new generation units can be  
deferred or cancelled. The bill amends the laws governing  
34 electric rates to require electric utilities to file with the  
Public Utilities Commission pricing proposals and techniques for  
36 making electricity more affordable to residential households that  
have been certified eligible for federal energy assistance. The  
38 bill also requires that electric utilities develop proposals for  
financing the conversion of electric space heat systems for  
40 customers who prefer to use alternative fuels. If the Public  
Utilities Commission approves such a proposal or technique,  
42 including any pilot programs for the purpose of further data  
gathering, the utility would be required to evaluate the  
44 potential savings to all customers, from reduced uncollectible  
expense and collection costs and delayed requirements for new  
46 generation units, that may be realized by the proposal.