

# MAINE STATE LEGISLATURE

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904  
R. 015.

L.D. 818

(Filing No. H-491 )

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
116TH LEGISLATURE  
FIRST REGULAR SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 603,  
L.D. 818, Bill, "An Act to Modify the Fuel Clause for Electric  
Utilities"

Amend the amendment by inserting after the title the  
following:

'Amend the bill in section 1 by inserting at the end the  
following:

'9. Cost of fuel and purchased power mandatory adjustment  
mechanism. Notwithstanding any other provision of this section  
or the requirements of section 310, subsequent to a general rate  
proceeding under section 307 or 1303, and subject to the  
conditions of this section, an electric utility shall adjust its  
electricity charges to customers to recover increases and to  
credit for decreases in the cost of fuel or purchased power used  
in the generating and supplying of electricity and purchased  
power, purchased pursuant to a contract entered into prior to  
April 1, 1993, or any renegotiation of the contract, or any  
extension of the contract pursuant to terms of the contract, or  
to recover increases in costs associated with replacement power  
required by an unscheduled shutdown of the Maine Yankee Nuclear  
Power Plant of 30 days or longer. Notwithstanding this  
provision, the cost related to such contracts must be subject to  
review by the commission concerning the prudence of these  
contracts.

These changes in the cost of purchased power that are subject to  
an adjustment mechanism must exclude all capacity charges, except  
that, to the extent the commission determines just and  
reasonable, capacity charges for power purchased from small power  
producers or cogenerators, as defined in chapter 33, may be  
included in the adjustment.

2 For the purposes of this subsection, each electric utility shall  
 4 file application for changes in its fuel adjustment rate in  
 6 accordance with rules adopted pursuant to this section. The  
 8 commission shall issue public notice of the application and the  
 10 opportunity to request a hearing within 7 days after the  
 12 application is filed with the commission. The commission may  
 14 render its decision on the application without holding a public  
 16 hearing. If a public hearing is held, the commission shall hold  
the first session within 45 days of the filing of the  
application. The commission shall render its decision on the  
application within 45 days of the close of the hearing or within  
45 days of receipt of the application if no hearing is held. An  
electric utility may not make application for changes in its fuel  
adjustment rate until a period of 90 days has elapsed from the  
filing of its last application, unless otherwise ordered by the  
commission.'

18 Further amend the amendment in the first paragraph after the  
 20 title in the first line (page 1, line 16 in amendment) by  
 22 striking out the following: "Amend" and inserting in its place  
 24 the following: 'Further amend'

#### 24 STATEMENT OF FACT

26 This amendment allows reconcilable recovery, through the  
 28 fuel clause, of expenditures by utilities of costs for power  
 30 purchased under contracts entered into prior to April 1, 1993.  
 32 Since utilities are trying to renegotiate those contracts to  
 34 benefit customers, it also allows recovery of costs from those  
 36 contracts if they are renegotiated.

34 If Maine Yankee experiences an unscheduled shutdown of 30  
 36 days or longer, power costs associated with replacement power  
 38 would also be covered under a fuel clause adjustment.

38 All costs associated with purchased power contracts would  
 40 continue to be subject to full review by the Public Utilities  
 Commission.

Filed by Rep. Taylor of Cumberland  
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 House  
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