

MAINE STATE LEGISLATURE

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H. OF S.

L.D. 818

(Filing No. H-496)

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

HOUSE AMENDMENT "B" 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 in that part designated
"§3101." by inserting after subsection 8 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 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
18 the first session within 45 days of the filing of the
20 application. The commission shall render its decision on the
22 application within 45 days of the close of the hearing or within
24 45 days of receipt of the application if no hearing is held. An
26 electric utility may not make application for changes in its fuel
28 adjustment rate until a period of 90 days has elapsed from the
30 filing of its last application, unless otherwise ordered by the
32 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
benefit customers, it also allows recovery of costs from those
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
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
42 Commission.

Filed by Rep. Taylor of Cumberland
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