

# MAINE STATE LEGISLATURE

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# 117th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1995

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Legislative Document

No. 335

S.P. 149

In Senate, January 31, 1995

**An Act to Release the Public Utilities Commission from Mandatory  
Participation in Welfare Programs.**

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Reference to the Committee on Utilities and Energy suggested and ordered printed.

A handwritten signature in cursive script, reading "May M. Ross".

MAY M. ROSS  
Secretary of the Senate

Presented by Senator HARRIMAN of Cumberland.

Cosponsored by Representatives: PLOWMAN of Hampden, ROBICHAUD of Caribou.

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

**Sec. 1. 35-A MRSA §3152, sub-§1, ¶A,** as amended by PL 1991, c. 253, §1, is further amended to read:

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

**Sec. 2. 35-A MRSA §3152, sub-§1, ¶B,** as amended by PL 1993, c. 402, §1, is further amended to read:

B. Encourage the commission to set electric rates to promote the maximum efficient utilization of natural energy resources existing in the State in order to promote the use of indigenous energy resources to the extent that this will reduce overall electric costs or electric rates, or both, provided equivalent consideration is given to the goals of reducing costs and reducing rates; ~~and.~~

**Sec. 3. 35-A MRSA §3152, sub-§1, ¶C,** as enacted by PL 1991, c. 253, §3, is repealed.

**Sec. 4. 35-A MRSA §3153-A, sub-§1,** as amended by PL 1993, c. 402, §2, is further amended to read:

**1. Proposals and programs developed.** The commission, as it determines appropriate, shall order electric utilities to develop and submit specific rate design proposals and related programs for implementing energy conservation and energy efficiency techniques and innovations, either in conjunction with or independent of any rate-making proceeding pending before the commission. The proposals, as the commission determines, must be designed to encourage energy conservation, minimize the need for new electrical generating capacity, minimize costs of electricity to consumers, and minimize rates over the long term or short term ~~and take into account the needs of low income customers.~~ In approving a proposal under this section, the commission shall give equivalent consideration to the goals of minimizing costs and minimizing rates of electricity to consumers. Proposals must include, but are not limited to, proposals that provide for the development and implementation of:

A. Load management techniques;

B. Rates 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 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 that encourage  
electric utility system reliability;

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

14 F. As defined by the commission by rule, cost-effective  
conversions of electric space heat systems to systems  
16 relying on other fuels and other techniques for enabling  
homeowners and tenants to replace on-peak, winter period  
18 electric usage with less expensive sources of heat; and

20 ~~G. --- Rates -- or -- bill -- payment -- assistance -- programs -- for~~  
~~residential customers who have been certified eligible for~~  
22 ~~state or federal fuel assistance that take into account the~~  
~~difficulty these customers have paying in full for electric~~  
24 ~~service or that target assistance to these customers in the~~  
~~most efficient manner, taking into account the necessity of~~  
26 ~~maintaining electric service; and~~

28 H. Rates that allow incremental use or maintenance of  
existing use when those rates serve to minimize rate levels  
30 for all electric customers. In approving any proposal for  
rates that allow incremental use or maintenance of existing  
32 use, the commission shall seek to ensure that rates for all  
customer classes will be lower than they would have been had  
34 the commission not approved the proposal.

36 The commission may not require an electric utility to design or  
implement any proposals or programs designed specifically to  
38 assist low-income residential customers in a manner that results  
in a subsidization of those low-income customers by other  
40 ratepayers.

## 42 STATEMENT OF FACT

44 This bill removes the requirement that electric utilities  
46 develop proposals for low-income assistance programs. This bill  
also prohibits the Public Utilities Commission from requiring  
48 electric utilities to develop or implement any programs designed  
to assist low-income customers in a manner that results in a  
50 subsidization of the low-income customers by other ratepayers.