

# MAINE STATE LEGISLATURE

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# 117th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1995

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Legislative Document

No. 1420

S.P. 522

In Senate, April 26, 1995

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### **An Act to Permit Consumer-owned Utilities to Seek Rate Reductions.**

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Submitted by the Public Utilities Commission pursuant to Joint Rule 24.  
Reference to the Committee on Utilities and Energy suggested and ordered printed.

A handwritten signature in cursive script that reads "May M. Ross".

MAY M. ROSS  
Secretary of the Senate

Presented by Senator CARPENTER of York.  
Cosponsored by Representatives: GIERINGER of Portland, KONTOS of Windham, POIRIER of Saco, STONE of Bangor, TAYLOR of Cumberland.

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

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**Sec. 1. 35-A MRSA §3502, sub-§1,** as enacted by PL 1987, c. 141, Pt. A, §6, is amended to read:

**1. Public hearing.** No A consumer-owned electric utility which ~~that~~ elects to set rates under this section may ~~file with the commission or~~ not increase or decrease any rate, toll or charge without first holding a public hearing at which the Public Advocate and any customer of the consumer-owned electric utility may present testimony and may question the officials present regarding the proposed increase rate change.

**Sec. 2. 35-A MRSA §3502, sub-§2,** as amended by PL 1989, c. 159, §4, is further amended to read:

**2. Notification.** The consumer-owned electric utility shall, at least 30 days prior to the hearing, publish a notice of the amount of the proposed rate increase change, the percent of increase change for each customer class and the hearing, including the date, time, place and purpose of the hearing in a newspaper of general circulation in the area encompassed by the consumer-owned electric utility. In addition, 60 days prior to the hearing, the consumer-owned electric utility shall notify the commission and the Public Advocate of its intent to increase change rates, tolls or charges.

**Sec. 3. 35-A MRSA §3502, sub-§3,** as amended by PL 1993, c. 589, §§3 to 5, is further amended to read:

**3. Ratepayer notification.** Each consumer-owned electric utility shall give, at least 30 days prior to the public hearing, one notice to each of its ratepayers of:

- A. The amount of the proposed rate increase change;
- B. The percent of increase change for each customer class;
- C. The customer's right to request information relating to the present and proposed rates;
- D. The customer's right to an open and fair hearing and ~~his right~~ to further hearings before the commission;
- E. The availability of assistance from the Public Advocate;
- F. The date, time, place and purpose of the hearing; and
- G. The customer's right to petition the commission to investigate the proposed rate increase change, the

2 requirement that signatures on petitions filed pursuant to  
subsubsection 8 are invalid unless accompanied by the printed  
4 names and addresses of the signers and the fact that the  
utility will, upon request, provide customers with petition  
6 forms that include space for signatures and the printed  
names and addresses of the signers.

8 **Sec. 4. 35-A MRSA §3502, sub-§4**, as amended by PL 1993, c.  
589, §6, is further amended to read:

10 **4. Customer rights.** At the commencement of each hearing  
12 held pursuant to this section, the consumer-owned electric  
utility shall inform those present of customer rights as  
14 specified in subsection 3, that the rate ~~increase~~ change may be  
investigated by the commission in accordance with subsection 8  
16 and that petitions filed pursuant to subsection 8 must bear the  
signature, printed name and address of the signer. Upon request,  
18 the utility shall provide customers with petition forms that  
include a place for signatures and the printed names and  
20 addresses of the signers.

22 **Sec. 5. 35-A MRSA §3502, sub-§5**, as enacted by PL 1987, c.  
141, Pt. A, §6, is amended to read:

24 **5. Supporting materials.** The consumer-owned electric  
26 utility shall file a copy of all materials supporting the  
proposed ~~increase~~ rate change with the commission and the Public  
28 Advocate, at least 30 days prior to the hearing. A copy of all  
material supporting the proposed ~~increase shall~~ rate change must  
30 be made available to customers for examination at the offices of  
the consumer-owned electric utility for at least 30 days prior to  
32 the hearing. The consumer-owned electric utility shall promptly  
provide any relevant additional material or information requested  
34 by a customer or by the commission or by the Public Advocate.

36 **Sec. 6. 35-A MRSA §3502, sub-§12**, as amended by PL 1993, c.  
512, §2, is further amended to read:

38 **12. Frequency of rate changes.** No A consumer-owned  
40 electric utility may not institute a general ~~increase~~ change in  
its rates under this section within one year of its most recent  
42 general ~~increase~~ change in rates pursuant to this section. For  
the purposes of this section, a "general ~~increase~~ change in  
44 rates" means any change in the rates, tolls and charges of the  
electric utility, the effect of which is to ~~increase~~ change the  
46 annual operating revenues of an electric utility by more than 1%,  
but does not include a rate change made for the sole purpose of  
48 implementing a fuel cost adjustment rate, pursuant to section  
3101.

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2           **Sec. 7. 35-A MRSA §3502, sub-§13**, as enacted by PL 1987, c.  
141, Pt. A, §6, is amended to read:

4           **13. Penalty.** If, upon the filing of a rate increase change  
6 pursuant to this section, the commission finds that the utility  
has failed to comply with this section, the commission may  
8 suspend the rates for investigation pursuant to section 310. If  
there is a substantial procedural violation of this section, the  
10 commission may prohibit the utility from filing rates pursuant to  
this section in its next rate case.

12           **Sec. 8. 35-A MRSA §6104, sub-§1**, as amended by PL 1987, c.  
1490, Pt. B, §12, is further amended to read:

14           **1. Application of this section.** Notwithstanding section  
16 310, ~~consumer-owned water utilities are subject to the~~  
~~suspension, investigation, hearing and rate substitution~~  
18 ~~provisions of section 310 under the conditions specified in this~~  
section any consumer-owned water utility that proposes to  
20 increase or decrease rates, tolls or charges may elect to set  
rates pursuant to this section.

22           **Sec. 9. 35-A MRSA §6104, sub-§2**, as amended by PL 1987, c.  
24 628, §2, is further amended to read:

26           **2. Utilities that elect to set rates under this section.**  
Consumer-owned water utilities which that elect to set rates  
28 under this section may not ~~file with the commission or~~ increase  
or decrease any rate, toll or charge without first holding a  
30 public hearing at which the Public Advocate and any customer may  
testify and may question the officials present regarding the  
32 proposed increase rate change.

34           **Sec. 10. 35-A MRSA §6104, sub-§3**, as amended by PL 1993, c.  
589, §9, is further amended to read:

36           **3. Notice of proposed rate change and hearing.** The  
38 consumer-owned water utility shall, at least 14 days prior to the  
hearing, publish a notice of the proposed rate increase change  
40 and the hearing, including the date, time, place and purpose of  
the hearing, in a newspaper of general circulation in the area  
42 encompassed by the consumer-owned water utility and give one  
notice of the proposed rate increase change and the date, time,  
44 place and purpose of the hearing to each of its customers. The  
published and individual notices must include a statement  
46 describing the amount of the increase rate change and the  
percentage increase change for each customer class, the  
48 customer's right to request information relating to the present  
and proposed rates, the right to an open and fair hearing and the  
50 right to further hearings before the commission, and the

2 availability of assistance from the Public Advocate. The  
3 published and individual notices must inform customers that they  
4 can petition the commission to investigate the proposed rate  
5 increase change and must include a statement that signatures on  
6 petitions filed pursuant to subsection 7 are invalid unless  
7 accompanied by the printed names and addresses of the signers.  
8 The published and individual notices must also inform customers  
9 that the utility will, upon request, provide customers with  
10 petition forms that include space for signatures and the printed  
11 names and addresses of the signers. Copies of the notice must be  
12 sent to the commission and the Public Advocate at least 14 days  
13 prior to the hearings.

14 **Sec. 11. 35-A MRSA §6104, sub-§4**, as amended by PL 1993, c.  
15 589, §10, is further amended to read:

16 **4. Notice that rate change may be investigated by**  
17 **commission.** At the commencement of each hearing held pursuant to  
18 this section, the consumer-owned water utility shall inform those  
19 present that the rate increase change may be investigated by the  
20 commission in accordance with this section and that petitions  
21 filed pursuant to subsection 7 must bear the signatures and the  
22 printed names and addresses of the signers. Upon request, the  
23 utility shall provide customers with petition forms that include  
24 space for signatures and the printed names and addresses of the  
25 signers.  
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27 **Sec. 12. 35-A MRSA §6104, sub-§4-A**, as enacted by PL 1987, c.  
28 628, §3, is amended to read:

29 **4-A. Supporting materials.** The water utility shall file a  
30 copy of all materials supporting the proposed increase rate  
31 change with the commission and the Public Advocate, at least 30  
32 days prior to the hearing. A copy of all material supporting the  
33 proposed increase rate change shall be made available to  
34 customers for examination at the offices of the utility for at  
35 least 30 days prior to the hearing. The utility shall promptly  
36 provide any readily available relevant additional material or  
37 information requested by a customer, the commission or the Public  
38 Advocate.  
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## 41 STATEMENT OF FACT

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43 **44** This bill clarifies that a consumer-owned electric utility  
45 may use the same process it uses to increase rates as to decrease  
46 them. The bill also permits a consumer-owned water utility to  
47 use the same process to decrease rates as it uses to increase  
48 them.  
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