

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## FIRST SPECIAL SESSION-1997

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Legislative Document

No. 1875

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H.P. 1325

House of Representatives, May 14, 1997

**An Act to Permit the Public Utilities Commission to Grant an  
Emergency Rate Increase.**

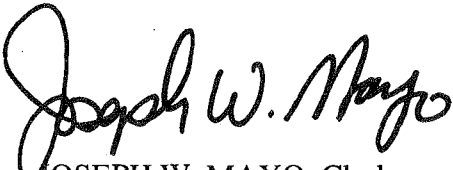
(AFTER DEADLINE)

(EMERGENCY)

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

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

  
JOSEPH W. MAYO, Clerk

Presented by Representative JONES of Bar Harbor.  
Cosponsored by Senator CAREY of Kennebec and  
Representatives: COLWELL of Gardiner, JOY of Crystal, LaVERDIERE of Wilton, O'NEAL  
of Limestone, TAYLOR of Cumberland, USHER of Westbrook.

2           **Emergency preamble.** Whereas, Acts of the Legislature do not  
become effective until 90 days after adjournment unless enacted  
as emergencies; and

4           Whereas, present law does not permit the Public Utilities  
6 Commission to require an emergency rate increase to be subject to  
refund; and

8           Whereas, the Public Utilities Commission has a request for  
10 emergency rates pending before it; and

12           Whereas, the Public Utilities Commission may determine,  
after emergency rates are approved, that the rate request  
14 resulted from imprudence, justifying the disallowance of certain  
utility expenses; and

16           Whereas, if current law is not amended, utility ratepayers  
18 in the State may be required to pay rates that are the result of  
imprudence; and

20           Whereas, in the judgment of the Legislature, these facts  
22 create an emergency within the meaning of the Constitution of  
Maine and require the following legislation as immediately  
24 necessary for the preservation of the public peace, health and  
safety; now, therefore,

26  
28           **Be it enacted by the People of the State of Maine as follows:**

30           **Sec. 1. 35-A MRSA §1322, sub-§3 is enacted to read:**

32           3. Subject to refund. When a rate increase is granted  
under this section, the commission may make the rate increase  
subject to partial or full refund. The determination of whether  
a rate increase is subject to refund must be made at the time the  
rate increase is granted. If no such determination is made at  
the time the rate increase is granted, a refund may not be made  
under this subsection. In making that determination, the  
commission shall consider whether making any portion of the rate  
increase subject to refund will diminish or impair the  
effectiveness of the rate increase in preventing injury or  
responding to any emergency as described in subsection 1. If the  
commission decides that any portion of the rate increase is  
subject to refund, it may require a refund to the extent that it  
subsequently determines that all or any portion of the rate  
increase subject to refund relates to costs later found to be  
imprudently incurred or was otherwise unwarranted under the  
standards set forth in this Title. The commission must determine  
whether a refund is required and the amount of any such refund  
within 12 months after the rate increase takes effect. Any

2 refund of rates pursuant to this subsection may be applied to the  
3 general body of ratepayers and need not be applied to specific  
4 customers.

5 **Sec. 2. Application.** Notwithstanding the Maine Revised  
6 Statutes, Title 1, section 302, this Act applies to any  
7 proceeding pending at the time of its enactment.

8 **Emergency clause.** In view of the emergency cited in the  
9 preamble, this Act takes effect when approved.

12  
13 **SUMMARY**

14  
15 This bill permits the Public Utilities Commission to grant  
16 an emergency rate increase subject to refund if the commission  
17 later determines that all or a portion of the emergency increase  
18 was unwarranted. The commission must determine the amount of any  
19 refund within 12 months after the emergency rate increase took  
20 effect. Any refund may be granted to the general body of  
21 ratepayers at the time the refund is awarded and need not be  
22 provided to the specific customers that paid the emergency rates  
23 during the period before the refund is ordered. The bill  
24 expressly applies to proceedings pending before the commission at  
the time of enactment.