

MAINE STATE LEGISLATURE

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R.O.S.

L.D. 479

DATE: 4.15.03

(Filing No. S-52)

UTILITIES AND ENERGY

Reported by: Minority

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STATE OF MAINE
SENATE
121ST LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 166, L.D. 479, Bill, "An Act To Revise the Funding Formula for the Public Utilities Commission and the Public Advocate"

Amend the bill by striking out all of section 1 and inserting in its place the following:

Sec. 1. 35-A MRSA §116, sub-§1, as amended by PL 2001, c. 136, §1, is further amended to read:

1. Utilities subject to assessments. Every transmission and distribution, gas, telephone and water utility and ferry subject to regulation by the commission is subject to an assessment on-its-intrastate-gross-operating-revenues to produce no more than \$4,918,000 in revenues annually. The commission shall increase the assessment to produce an additional \$318,000 during fiscal year 2001-02 and an additional \$587,000 during fiscal year 2002-03. The commission shall assess transmission and distribution utilities at a rate sufficient to produce \$3,370,000 and shall assess all other utilities at a rate sufficient to produce \$1,548,000. The commission shall increase the assessment of transmission and distribution utilities to produce an additional \$218,000 during fiscal year 2001-02 and an additional \$402,000 during fiscal year 2002-03. The commission shall increase the assessment of all other utilities to produce an additional \$100,000 during fiscal year 2001-02 and an additional \$185,000 during fiscal year 2002-03. The commission shall determine the assessments annually prior to May 1st and assess each utility for its pro rata share for expenditure during the fiscal year beginning July 1st. Each utility shall pay the assessment charged to the utility on or before July 1st of each year. Any increase in the assessment that becomes effective

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subsequent to May 1st may be billed on the effective date of the act authorizing the increase.

A. The assessments charged to utilities under this section are just and reasonable operating costs for rate-making purposes.

A-1. The commission shall base the assessment for each transmission and distribution utility on the pro rata share of each utility's intrastate gross operating revenues. The commission shall determine the percent revenue assessment required from each gas, telephone, water and ferry utility group based on the pro rata share of the intrastate gross operating revenues from each respective utility group. The commission shall determine the assessment for each individual gas, telephone and ferry utility based on the pro rata share of each utility's intrastate gross operating revenue pursuant to the percent revenue assessment determined for each respective utility group. The commission shall determine the assessment for each individual water utility based on the pro rata share of the utility's metered water sales in thousands of gallons sold pursuant to the percent revenue assessment determined for each respective utility group. For water utilities that do not have a customer metering program, the commission shall determine water sales to be 90% of total water production.

B. For the purposes of this section, "intrastate gross operating revenues" means intrastate revenues derived from filed rates, except revenues derived from sales for resale.

C. Gas utilities subject to the jurisdiction of the commission solely with respect to safety are not subject to any assessment.

D. The commission may correct any errors in the assessments by means of a credit or debit to the following year's assessment rather than reassessing all utilities in the current year.

E. The commission may exempt utilities with annual intrastate gross operating revenues under \$50,000 from assessments under this section.'

SUMMARY

This amendment, which is the minority report of the Joint Standing Committee on Utilities and Energy, replaces section 1 of

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2 the bill to remove any changes to the cap on the Public Utilities
Commission assessment on utilities. The amendment preserves
4 those portions of the bill that change the method of determining
the assessment on water utilities.

6 The level of the cap on the total Public Utilities
Commission assessment is the subject of other legislation and it
8 is not the intent of this amendment to affect decisions about the
cap on assessments made in that other legislation.

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FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT

121st Maine Legislature
Office of Fiscal and Program Review

LD 479

An Act To Revise the Funding Formula for the Public Utilities
Commission and the Public Advocate

LR 0261(02)

Fiscal Note for Bill as Amended by Committee Amendment *AS-52*

Committee: Utilites and Energy

Fiscal Note Required: Yes



Fiscal Note

Minor cost increase - Other Special Revenue

Fiscal Detail and Notes

This bill changes the method of allocating the costs of the Office of Public Advocate and the Public Utilites Commission among Maine's utilities. It does not diminish the full recovery of these costs.