

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2005

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Legislative Document

No. 330

H.P. 253

House of Representatives, January 20, 2005

### An Act To Protect Utility Customers from Imprudently Incurred Costs

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Submitted by the Office of the Public Advocate pursuant to Joint Rule 204.  
Reference to the Committee on Utilities and Energy suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative BLISS of South Portland.  
Cosponsored by Senator: BARTLETT of Cumberland.

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

4 **Sec. 1. 35-A MRSA §303**, as amended by PL 1987, c. 613, §2, is  
further amended to read:

6 **§303. Valuation of property for fixing rates**

8 In determining just and reasonable rates, tolls and charges,  
10 the commission shall fix a reasonable value upon all the property  
of a public utility and upon an electric plant to the extent paid  
12 for by the utility on the premises of any of its customers, which  
is used or required to be used in its service to the public  
within the State and a fair return on that property. In fixing a  
14 reasonable value, the commission shall give due consideration to  
evidence of the cost of the property when first devoted to public  
16 use and the prudent acquisition cost to the utility, less  
depreciation on each, and any other material and relevant factors  
18 or evidence, but the other factors ~~shall~~ may not include current  
value. In making a valuation, the commission may consult reports,  
20 records or other information available to it in the office of any  
state office or board. In the event of rate determinations for a  
22 public utility's ownership interest under a joint ownership  
agreement that are subject to the primary jurisdiction of the  
24 Federal Energy Regulatory Commission, the commission shall make  
the rate determinations in a manner that excludes from recovery  
26 in retail rates any cost found to be imprudent or excluded from  
wholesale rates by the Federal Energy Regulatory Commission.

28  
30 **SUMMARY**

32 This bill requires the Public Utilities Commission to  
exclude from rates any utility costs found by the Federal  
34 Regulatory Energy Commission to have been imprudently incurred.  
Thus, rather than relitigating the same issue, the Public  
36 Utilities Commission will now simply recognize and apply the  
findings of the Federal Regulatory Energy Commission regarding  
38 imprudently incurred costs.