

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 1198

H.P. 826

House of Representatives, March 10, 2005

An Act To Promote Responsible Advertising by Public Utilities

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative DUPLESSIE of Westbrook.
Cosponsored by Senator BARTLETT of Cumberland and
Representatives: ADAMS of Portland, BLISS of South Portland, DUDLEY of Portland,
MILLER of Somerville, MILLS of Farmington, Senators: COWGER of Kennebec, MILLS of
Somerset.

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

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4 **Sec. 1. 35-A MRSA §302**, as enacted by PL 1987, c. 141, Pt. A, §6, is amended to read:

6 **§302. Limitations on rates**

8 The following expenses, whether paid directly or indirectly, through reimbursement or otherwise, incurred by a public utility shall may not be included or incorporated in operating expenses:

12 **1. Contributions to political groups or candidates.** Contributions or gifts to political candidates, political parties, political or legislative committees or any committee or organization working to influence referendum petitions or elections; or

18 **2. Commercial messages.** Costs associated with the preparation, printing or mailing to customers of commercial messages, as defined in section 703-A.

22 **Sec. 2. 35-A MRSA §703-A** is enacted to read:

24 **§703-A. Commercial messages to customers**

26 This section governs the sending of commercial messages by a public utility to its customers.

28 **1. Definitions.** For purposes of this section, "commercial messages" means messages sent by a public utility to its customers for the sole purpose of promoting consumption of a regulated product or service.

34 **2. Costs; notice.** The payment of the costs of preparing, printing and mailing commercial messages is governed by section 302. A public utility that sends commercial messages to its customers must include with each message the following statement: "All costs associated with this mailing are charged to shareholders or owners and are not paid for by customers."

40 **3. Annual customer notice.** A public utility may not send commercial messages to a customer unless the public utility has received from the customer written consent applicable to the period during which the commercial message is sent. A public utility that wishes to send commercial messages to its customers must annually send to all its customers a form that allows customers to provide their written consent to receive commercial messages. A consent form may provide for consent only through the end of the calendar year following the date the customer signs the form.

2 4. Rules. The commission shall adopt rules necessary to
4 implement this section. Rules adopted pursuant to this section
 are routine technical rules as defined in Title 5, chapter 375,
 subchapter 2-A.

6 5. Penalties. A public utility that violates this section
8 or rules adopted pursuant to this section is subject to the
 penalties provided in section 1508-A.

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SUMMARY

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14 Presently, under existing rules of the Public Utilities
 Commission, a public utility must charge to its shareholders or
16 owners all costs associated with the promotion of its regulated
 services. This bill makes these accounting requirements
 statutory and establishes authority for Public Utilities
18 Commission administrative penalties for violation of rules
 adopted pursuant to these requirements. This bill also gives all
20 customers the ability to consent to or to decline receipt of
 commercial messages from a utility in an annual notice and
22 consent procedure.