

MAINE STATE LEGISLATURE

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Legislative Document

No. 267

H.P. 223

House of Representatives, January 18, 2007

An Act To Ensure Proper Funding of the Public Utilities Commission

(EMERGENCY)

Submitted by the Public Utilities Commission 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.

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

3 **Whereas,** it is necessary that the Public Utilities Commission have sufficient funds
4 to carry out its statutory obligations during fiscal years 2007-08 and 2008-09; and

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

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

10 **Sec. 1. 35-A MRSA §116, sub-§1,** as amended by PL 2005, c. 135, §1, is further
11 amended to read:

12 **1. Utilities subject to assessments.** Every transmission and distribution, gas,
13 telephone and water utility and ferry subject to regulation by the commission is subject to
14 an assessment on its intrastate gross operating revenues to produce ~~a total of no more than~~
15 ~~\$5,505,000 in revenues annually~~ sufficient revenue for expenditures allocated by the
16 Legislature for operating the commission. The portion of the total assessment applicable
17 to each category of public utility is based on an accounting by the commission of the
18 portion of the commission's resources devoted to matters related to each category. The
19 commission shall develop a reasonable and practicable method of accounting for
20 resources devoted by the commission to matters related to each category of public utility.
21 Assessments on each public utility within each category must be based on the utility's
22 gross intrastate operating revenues. The commission shall determine the assessments
23 annually prior to May 1st and assess each utility for its pro rata share for expenditure
24 during the fiscal year beginning July 1st. Each utility shall pay the assessment charged to
25 the utility on or before July 1st of each year. Any increase in the assessment that
26 becomes effective subsequent to May 1st may be billed on the effective date of the act
27 authorizing the increase.

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

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

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

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

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

1 **Emergency clause.** In view of the emergency cited in the preamble, this
2 legislation takes effect when approved.

3 **SUMMARY**

4 The purpose of this bill is to ensure that sufficient funds are generated to allow the
5 Public Utilities Commission to perform its regulatory responsibilities. This bill would
6 create an assessment mechanism that would allow the commission to perform its ongoing
7 responsibilities.