

# MAINE STATE LEGISLATURE

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ROIS

L.D. 2104

Date: 3/10/08

Majority

(Filing No. H-732)

**UTILITIES AND ENERGY**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
123RD LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1490, L.D. 2104, Bill, "An Act To Provide for Fairness and Accuracy in Utility Rate Setting"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

**Sec. 1. 35-A MRSA §9103, sub-§1**, as enacted by PL 1993, c. 638, §2, is amended to read:

**1. Alternative regulation; period; starting point.** ~~For the~~ The period of the alternative form of regulation, which may not be less than 5 years nor exceed 10 years without affirmative reauthorization by the commission, ~~ratepayers as a whole, and residential and small business ratepayers in particular, may not be required to pay more for local telephone services as a result of the implementation of an alternative form of regulation than they would under traditional rate base or rate of return regulation.~~ Prior to the adoption of a new or replacement alternative form of regulation or renewal of any existing alternative form of regulation, when the alternative form of regulation includes a provision prohibiting the commission or the utility from initiating a rate case for a set period of time, the commission shall, in order to ensure that rates at the starting point of the alternative form of regulation are just and reasonable, conduct a revenue requirement and earnings review pursuant to the standards of section 301. In conducting such a review under this subsection, the commission, at its discretion, may conduct the review in a manner designed to minimize the cost of the review.

**Sec. 2. Application.** In accordance with the Maine Revised Statutes, Title 1, section 302, this Act does not apply to any proceeding relating to an alternative form of regulation pending before the Public Utilities Commission on the effective date of this Act.

**SUMMARY**

This amendment is the majority report of the committee. The amendment removes the provision in the bill regarding penalties for utility misconduct and removes the

**COMMITTEE AMENDMENT**

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COMMITTEE AMENDMENT "A" to H.P. 1490, L.D. 2104

1 provision in the bill regarding refunds to local telephone customers to remedy past  
2 excessive rates. The amendment adds a provision to the bill to repeal language in current  
3 law governing an alternative form of regulation that requires the Public Utilities  
4 Commission to ensure that, for the period of the alternative form of regulation, ratepayers  
5 may not be required to pay more for local phone service under the alternative form of  
6 regulation than they would have under traditional regulation. The amendment preserves  
7 the provision in the bill that requires the Public Utilities Commission to conduct a  
8 revenue requirement and earnings review of a telephone utility prior to the adoption or  
9 renewal of an alternative form of regulation and clarifies that this requirement applies  
10 when the alternative form of regulation includes a provision prohibiting a rate case for a  
11 set period of time. Finally, the amendment provides an application section to specify that  
12 the requirements established in this legislation do not apply to any alternative form of  
13 regulation proceeding that is pending on the effective date of this Act.

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**FISCAL NOTE REQUIRED**  
**(See attached)**

**COMMITTEE AMENDMENT**



# 123rd MAINE LEGISLATURE

LD 2104

LR 3304(02)

**An Act To Provide for Fairness and Accuracy in Utility Rate Setting**

**Fiscal Note for Bill as Amended by Committee Amendment "A"**

**Committee: Utilities and Energy**

**Fiscal Note Required: Yes**

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## Fiscal Note

Minor cost increase - Other Special Revenue Funds

### Fiscal Detail and Notes

The additional costs associated with the requirements set forth in this bill can be absorbed by the Public Utilities Commission utilizing existing budgeted resources.