

MAINE STATE LEGISLATURE

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S.M.C.
R. 005.

Date: 2/9/12

Minority

(Filing No. H-696)

ENERGY, UTILITIES AND TECHNOLOGY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "B" to H.P. 695, L.D. 935, Bill, "An Act To Create Fair and Open Competition in Line Extension Construction"

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

'Sec. 1. 35-A MRSa §315 is enacted to read:

§315. Transmission and distribution utility line extension construction

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Line" has the same meaning as in section 314, subsection 1, paragraph A.

B. "Make-ready work" means work necessary to connect a line extension to existing utility infrastructure.

2. Line extension charge. Amounts charged by a transmission and distribution utility serving more than 500,000 retail customers for a line extension are governed by this subsection.

A. Through a proceeding or rulemaking and in accordance with this section and section 314, the commission shall establish the method to be used by a transmission and distribution utility serving more than 500,000 retail customers for line extension pricing. The method may include the amount to be charged per foot for the completion of a line extension.

B. Revenue received by a transmission and distribution utility serving more than 500,000 retail customers from a telephone utility may not be used to offset the total cost of or amount charged to a customer for a line extension.

C. A transmission and distribution utility serving more than 500,000 retail customers shall report annually to the commission, on a date determined by the commission, the total amount charged to customers for line extensions and the total actual costs to the transmission and distribution utility serving more than 500,000 retail customers to

COMMITTEE AMENDMENT

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1 complete those line extensions for a prior 12-month period determined by the
2 commission.

3 D. If a report pursuant to paragraph C demonstrates that charges to customers for
4 line extensions are less than 95% of total actual costs or greater than 105% of total
5 actual costs during the reporting period, the commission, within 30 days of the date
6 of the filing of the report, shall open an investigation to determine the appropriate
7 adjustments to be made to the method used by the transmission and distribution
8 utility pursuant to paragraph A to establish the amount charged to a customer for a
9 line extension so that the total amount charged to customers is no less than 95% and
10 no more than 105% of total actual costs for the line extensions.

11 3. Cost recovery. Any cost associated with construction of a line extension that is
12 not recovered by a transmission and distribution utility serving more than 500,000 retail
13 customers through the charges established in accordance with subsection 2 must be borne
14 by the utility and may not be recovered in rates.

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

18 Nothing in this section may be construed to limit the activities of a transmission and
19 distribution utility serving 500,000 or fewer retail customers.'

20 **SUMMARY**

21 This amendment is the minority report of the committee. It narrows the scope of the
22 bill to transmission and distribution utilities serving more than 500,000 retail customers.
23 It removes specific requirements for determining costs of line extensions and instead
24 requires the Public Utilities Commission to determine the method to be used by such a
25 utility to estimate the cost of line extensions. This amendment removes the requirement
26 that utilities reimburse ratepayers retroactively to the year 2000 for any costs associated
27 with the construction of a line extension that was recovered through electricity rates.
28 This amendment strikes the customer service requirement and contribution in aid of
29 construction provisions in the bill.

30 **FISCAL NOTE REQUIRED**

31
32 (See attached)
33



Approved: 01/31/12 *MAC*

125th MAINE LEGISLATURE

LD 935

LR 662(03)

An Act To Create Fair and Open Competition in Line Extension Construction

Fiscal Note for Bill as Amended by Committee Amendment "B"

Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Requiring the Public Utilities Commission (PUC) to establish by rule standards for customer service, accounting and charges that transmission and distribution utilities must meet in undertaking line extensions may require the PUC to incur additional administrative costs that can be absorbed within existing budgeted resources.