

MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 935

H.P. 695

House of Representatives, March 8, 2011

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

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

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative GUERIN of Glenburn.
Cosponsored by Representatives: BICKFORD of Auburn, CRAY of Palmyra, DUNPHY of Embden, EDGECOMB of Caribou, ESPLING of New Gloucester, JOHNSON of Eddington, LIBBY of Waterboro, MAKER of Calais.

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

2 **Sec. 1. 35-A MRSA §315** is enacted to read:

3 **§315. Transmission and distribution utility line extension construction**

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

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

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

9 **2. Standards for charges for line extension construction.** The commission shall
10 establish by rule standards for charges by transmission and distribution utilities for line
11 extensions. The commission shall require that charges be based on actual costs, including
12 but not limited to tree cutting, ledge drilling and other labor, materials and equipment
13 costs, and must include an additional amount established by the commission as a
14 reasonable rate of return. The commission shall ensure that any contributions by a
15 telephone utility to a transmission and distribution utility's line extension construction
16 costs are not included in those charges. The commission shall remove any subsidy
17 concerning line extension construction costs from the telephone ratepayers, and any costs
18 charged by a telephone company for line extension construction must be actual costs. A
19 transmission and distribution utility shall provide cost estimates and shall charge for line
20 extensions in accordance with the standards established by the commission, shall
21 annually update its charges to account for cost changes and shall report its charges to the
22 commission for review for consistency with the standards.

23 **3. Cost recovery.** Any cost associated with construction of a line extension that is
24 not recovered by a transmission and distribution utility through its charges established in
25 accordance with subsection 2 must be borne by the utility and may not be recovered from
26 ratepayers.

27 A. Any undercollected cost associated with construction of a line extension
28 constructed after 2000 that has been recovered by a transmission and distribution
29 utility from ratepayers must be returned to ratepayers and borne by the utility in
30 accordance with rules adopted by the commission.

31 **4. Make-ready work.** In accordance with rules adopted by the commission, a
32 transmission and distribution utility shall charge nonresidential customers the actual costs
33 of all make-ready work. A transmission and distribution utility may not charge a
34 residential customer for make-ready work.

35 **5. Customer service requirements.** The commission by rule shall establish
36 customer service standards that a transmission and distribution utility must meet in
37 undertaking line extensions. The standards must include:

