

# MAINE STATE LEGISLATURE

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# 125th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2012

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Legislative Document

No. 1875

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H.P. 1387

House of Representatives, March 13, 2012

### **An Act To Provide Transparency in Electricity Pricing for Maine Ratepayers**

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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 FITTS of Pittsfield. (GOVERNOR'S BILL)

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

2 **Sec. 1. 35-A MRSA §102, sub-§24** is enacted to read:

3 **24. Zero-based budgeting.** "Zero-based budgeting" means a method of budgeting  
4 in which programs and activities are justified for a budgetary period using cost-benefit  
5 analysis without regard to the amount that was budgeted for those programs and activities  
6 in a prior budgetary period.

7 **Sec. 2. 35-A MRSA §116, sub-§2,** as amended by PL 2007, c. 16, §2, is further  
8 amended to read:

9 **2. Committee recommendations; legislative approval of budget.** The commission  
10 shall submit its budget recommendations, using a zero-based budgeting process, as part of  
11 the unified current services budget legislation in accordance with Title 5, sections 1663 to  
12 1666. The commission shall make a presentation of its budget recommendations  
13 contained in any current services budget legislation and any supplemental budget  
14 legislation to the joint standing committee of the Legislature having jurisdiction over  
15 public utilities matters. The joint standing committee of the Legislature having  
16 jurisdiction over public utilities matters shall review the commission's recommendations  
17 and make recommendations to the joint standing committee of the Legislature having  
18 jurisdiction over appropriations and financial affairs regarding the budget of the  
19 commission, including but not limited to all expenditures from the fund established  
20 pursuant to this section. The commission shall make an annual report in accordance with  
21 section 120 of its planned expenditures for the year and on its use of funds in the previous  
22 year. In addition to the assessments authorized under this section, the commission may  
23 also receive other funds as appropriated or allocated by the Legislature.

24 **Sec. 3. 35-A MRSA §116, sub-§8, ¶A,** as amended by PL 1997, c. 424, Pt. B,  
25 §5, is further amended to read:

26 A. The Public Advocate shall submit its budget recommendations, using a zero-  
27 based budgeting process, as part of the unified current services budget legislation in  
28 accordance with Title 5, sections 1663 to ~~1665~~ 1666. The assessments and  
29 expenditures provided in this section are subject to legislative approval. The Public  
30 Advocate shall make an annual report of its planned expenditures for the year and on  
31 its use of funds in the previous year. The Public Advocate may also receive other  
32 funds as appropriated by the Legislature.

33 **Sec. 4. 35-A MRSA §315** is enacted to read:

34 **§315. Transparency in electricity rates and assessments**

35 **1. Transparency in electricity rates and assessments; commission and Office of**  
36 **the Public Advocate.** The commission and the Office of the Public Advocate shall post  
37 on their publicly accessible websites a detailed explanation of the total impact to  
38 ratepayers, in millions of dollars per year, of all components of ratepayers' rates and  
39 prices, including all supply and transmission and delivery charges and all additional state  
40 and federal government charges and assessments, including but not limited to charges to

1 fund the low-income assistance program described in section 3214, the commission and  
2 the Office of the Public Advocate; system benefits charges with revenues dedicated to the  
3 Efficiency Maine Trust, established in section 10103; stranded costs from long-term  
4 contracts; and charges for the State's renewable resource portfolio requirement  
5 established under section 3210.

6 **2. Transparency in electricity rates and assessments; transmission and**  
7 **distribution utilities.** All transmission and distribution utilities shall include a line-item  
8 accounting on ratepayers' statements that provides a total of all additional state and  
9 federal government charges and assessments, including but not limited to charges to fund  
10 the low-income assistance program described in section 3214, the commission and the  
11 Office of the Public Advocate; system benefits charges with revenues dedicated to the  
12 Efficiency Maine Trust, established in section 10103; stranded costs from long-term  
13 contracts; and assessments for the State's renewable resource portfolio requirement  
14 established under section 3210.

15 **SUMMARY**

16 This bill provides pricing transparency to electricity ratepayers to show the total  
17 financial impact to ratepayers from electricity supply, transmission and delivery and state  
18 and federal government assessments. It requires the Public Utilities Commission and the  
19 Public Advocate to submit their budget recommendations as part of the unified current  
20 services budget legislation using a zero-based budgeting process.