

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 1388

S.P. 553

In Senate, March 28, 2023

**An Act to Protect Utility Customers and Improve Disclosure of
Political and Advertising Spending by Public Utilities and Their
Affiliates**

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

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator GROHOSKI of Hancock.
Cosponsored by Senator: TIPPING of Penobscot.

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

2 **Sec. 1. 35-A MRSA §302**, as enacted by PL 1987, c. 141, Pt. A, §6, is repealed and
3 the following enacted in its place:

4 **§302. Limitations on rates**

5 **1. Limitations on rates.** The following expenses, whether paid directly or indirectly,
6 through reimbursement or otherwise, incurred by a public utility or an affiliated interest
7 may not be included or incorporated in operating expenses to be recovered in rates:

8 A. Contributions or gifts to political candidates, political parties, political or legislative
9 committees or any committee or organization working to influence referendum
10 petitions or elections;

11 B. Contributions to a public charity, as defined in Title 5, section 194, subsection 1,
12 including but not limited to a charity managed by the public utility or affiliated interest;
13 and

14 C. Educational expenditures, as defined by the commission by rule under section
15 302-A, in excess of \$1,000 per month unless preapproved by the commission as serving
16 a public necessity. Educational expenditures include any expenditures relating to
17 educational information delivered to the public or to utility customers by radio,
18 television, the Internet, print and other media or through sponsorships, paid
19 endorsements and public relations campaigns.

20 **2. Political, charitable and educational expenses annual report.** A public utility
21 shall file a report annually with the commission containing a written, itemized description
22 of any expenses described in subsection 1. For each expense, the report must include the
23 date, the payee, the amount and a description of the purpose of the expense.

24 **3. Major political activities quarterly report.** In addition to the report required under
25 subsection 2, if a public utility or an affiliated interest engages in major political activities,
26 as defined by the commission by rule, the public utility shall file a quarterly report
27 containing a written description of those major political activities and the expenditures
28 associated with those activities. For each expenditure, the report must include the date, the
29 payee, the amount and a description of the purpose of the expenditure.

30 **4. Definition.** For the purposes of this section, unless the context otherwise indicates,
31 "affiliated interest" has the same meaning as in section 707, subsection 1, paragraph A.

32 **Sec. 2. 35-A MRSA §302-A**, as enacted by PL 2005, c. 204, §1, is amended to read:

33 **§302-A. Rules governing political activities, promotional advertising, charitable**
34 **contributions, educational expenditures and institutional advertising**

35 Rules adopted by the commission concerning promotional advertising; promotional
36 allowances, including, but not limited to, the granting of promotional rebates or credits;
37 advertising to promote corporate image or goodwill; contributions to public charities as
38 defined in Title 5, section 194, subsection 1; educational expenditures; or political
39 activities, including major political activities, by a public utilities utility or an affiliated
40 interest as defined in section 707, subsection 1, paragraph A are major substantive rules as
41 defined in Title 5, chapter 375, subchapter 2-A. Rules on these matters in effect on the
42 effective date of this section remain in effect and do not require legislative approval but

1 any changes to such rules are subject to review and approval in accordance with Title 5,
2 chapter 375, subchapter 2-A.

3 **Sec. 3. Rulemaking.** By November 1, 2023, the commission shall initiate
4 rulemaking in accordance with the Maine Revised Statutes, Title 5, chapter 375, subchapter
5 2-A to implement the requirements of this Act.

6 **SUMMARY**

7 This bill prohibits a public utility from including in operating expenses costs, whether
8 incurred by the public utility or an affiliated interest, as defined in the Maine Revised
9 Statutes, Title 35-A, section 707, subsection 1, paragraph A, associated with educational
10 expenditures in excess of \$1,000, political contributions and charitable contributions. A
11 public utility may include in operating expenses costs for educational expenditures in
12 excess of \$1,000 with the preapproval of the Public Utilities Commission. The bill requires
13 a public utility to file an annual report with the commission of the political, charitable and
14 educational expenses of the utility and its affiliated interests. If a public utility or an
15 affiliated interest engages in major political activities, it must also file a quarterly report
16 with the commission. The bill requires commission rules regarding charitable contributions
17 and educational expenditures by a public utility or an affiliated interest to be major
18 substantive rules.