

MAINE STATE LEGISLATURE

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STATE OF MAINE
118TH LEGISLATURE

SECOND REGULAR SESSION
AND
SECOND SPECIAL SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
UTILITIES AND ENERGY

MAY 1998

MEMBERS:

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Sen. John J. Cleveland

Sen. Philip E. Harriman

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Staff:

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ONE HUNDRED EIGHTEENTH LEGISLATURE
SECOND REGULAR AND SECOND SPECIAL SESSIONS

Summary Of Legislation Before The Joint Standing Committees
May 1998

We are pleased to provide this summary of bills that were considered by the Joint Standing Committees of the Maine Legislature. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this Session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills handled by the joint standing committees. It is organized by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

- CON RES XXX*..... Chapter # of Constitutional Resolution passed by both Houses
- CONF CMTE UNABLE TO AGREE*.....Committee of Conference unable to agree; bill died
- DIED BETWEEN BODIES*.....House & Senate disagree; bill died
- DIED IN CONCURRENCE*.....One body accepts ONTP report; the other indefinitely postpones the bill
- DIED ON ADJOURNMENT*.....Action incomplete when session ended; bill died
- EMERGENCY*.....Enacted law takes effect sooner than 90 days
- FAILED EMERGENCY ENACTMENT/FINAL PASSAGE*.....Emergency bill failed to get 2/3 vote
- FAILED ENACTMENT/FINAL PASSAGE*.....Bill failed to get majority vote
- FAILED MANDATE ENACTMENT*.....Bill imposing local mandate failed to get 2/3 vote
- INDEF PP*.....Bill Indefinitely Postponed
- ONTP*..... Ought Not To Pass report accepted
- OTP ND*..... Committee report Ought To Pass In New Draft
- OTP ND/NT*..... Committee report Ought To Pass In New Draft/New Title
- P&S XXX*..... Chapter # of enacted Private & Special Law
- PUBLIC XXX*..... Chapter # of enacted Public Law
- RESOLVE XXX*..... Chapter # of finally passed Resolve
- UNSIGNED*.....Bill held by Governor
- VETO SUSTAINED*.....Legislature failed to override Governor's Veto

Please note the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is June 30, 1998 and July 9, 1998 for the Second Special Session. Second Special Session laws include Public Laws beginning with Chapter 718, Private and Special Laws beginning with Chapter 82 and Resolves beginning with Chapter 117.

<u>Sponsor(s)</u> KONTOS CAREY	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> H-908
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LD 2094 proposed the following:

1. To authorize the Public Utilities Commission to approve multi-year rate plans for gas utilities similar to plans presently in effect for electric and telephone utilities;
2. To permit a utility to be organized as any legal entity allowed under state law and to update language in the Maine Revised Statutes, Title 35-A, chapters 21 and 23 by amending sections to pertain to all public utility companies, not just those utilities organized under general state corporate law; and
3. To make the provisions of the bill apply retroactively to filings pending or made on or after January 1, 1998.

Committee Amendment "A" (H-908) proposed to preserve those portions of the bill that clarify that entities that are not corporations may be utilities. The amendment proposed to remove the portions of the bill that relate to multi-year rate plans. The amendment proposed the following:

1. To add an emergency preamble and emergency clause to the bill;
2. To amend provisions of law relating to the cost-of-gas adjustment clause; these changes would permit the Public Utilities Commission to approve cost-of-gas adjustments that are rate-class specific and that include costs associated with facilities used to produce or store gas;
3. To permit the Public Utilities Commission to establish alternative rate-making mechanisms and flexible rate plans for gas utilities; and
4. To provide that costs incurred by a gas utility after March 1, 1998, other than costs beyond the control of the utility, that are made unrecoverable as a result of competition or deregulation may not be borne by ratepayers.

See LD 2160; certain concepts in this amendment were proposed in that bill.

Enacted law summary

Public Law 1997, chapter 707 clarifies that entities that are not corporations may be utilities. The law also does the following.

1. It amends provisions of law relating to the cost-of-gas adjustment clause. These changes permit the Public Utilities Commission to approve cost-of-gas adjustments that are rate-class specific and that include costs associated with facilities used to produce or store gas.
2. It permits the Public Utilities Commission to establish alternative rate-making mechanisms and flexible rate plans for gas utilities.

3. It provides that costs incurred by a gas utility after March 1, 1998, other than costs beyond the control of the utility, that are made unrecoverable as a result of competition or deregulation may not be borne by ratepayers.

Chapter 707 was enacted as an emergency measure effective April 3, 1998.

LD 2134 **An Act Related to the Service Territory of the Kennebunk Light and Power District**

**P & S 72
EMERGENCY**

<u>Sponsor(s)</u> MURPHY LAFOUNTAIN	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> H-921
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LD 2134 proposed to exempt from Public Utility Commission approval the extension of service by the Kennebunk Light and Power District to certain areas in the Town of Kennebunk.

Committee Amendment "A" (H-921) proposed to allow Kennebunk Light and Power District to provide electric service to the Kennebunk, Kennebunkport and Wells Water District provided that the water district pay to Central Maine Power Company an amount determined by the Public Utilities Commission to be a reasonable allocation of Central Maine Power Company's stranded costs.

Enacted law summary

Private and Special Law 1997, chapter 72 allows Kennebunk Light and Power District to provide electric service to the Kennebunk, Kennebunkport and Wells Water District provided that the water district pays to Central Maine Power Company an amount determined by the Public Utilities Commission to be a reasonable allocation of Central Maine Power Company's stranded costs. Chapter 72 was enacted as an emergency measure effective March 30, 1998.

LD 2160 **An Act to Encourage Customer Choice and Competitive Rates for Natural Gas**

ONTP

<u>Sponsor(s)</u> KONTOS PENDLETON P	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 2160 proposed to repeal the current requirement that cost-of-gas adjustment rates be uniform to all gas utility customers and to permit the Public Utilities Commission to approve a rate-class-specific cost-of-gas adjustment rate that includes the costs of gas purchases, other costs directly related to the gas purchased and cost-of-facilities used to produce and store gas.

The bill also proposed to authorize the creation of a distribution adjustment clause under which a gas utility may apply to the commission to recover prudently incurred costs that are not included in its base rates or cost-of-gas adjustment.

See LD 2094.