

MAINE STATE LEGISLATURE

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STATE OF MAINE
125TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

**JOINT STANDING COMMITTEE ON ENERGY, UTILITIES
AND TECHNOLOGY**

July 2011

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STATE OF MAINE
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LEGISLATIVE DIGEST OF BILL SUMMARIES AND
ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 125th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

CARRIED OVER carried over to a subsequent session of the Legislature
CON RES XXX..... chapter # of constitutional resolution passed by both houses
CONF CMTE UNABLE TO AGREE..... Committee of Conference unable to agree; legislation died
DIED BETWEEN HOUSES..... House & Senate disagreed; legislation died
DIED IN CONCURRENCE..... defeated in each house, but on different motions; legislation died
DIED ON ADJOURNMENT..... action incomplete when session ended; legislation died
EMERGENCY..... enacted law takes effect sooner than 90 days after session adjournment
FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE emergency failed to receive required 2/3 vote
FAILED, ENACTMENT or FINAL PASSAGE..... failed to receive final majority vote
FAILED, MANDATE ENACTMENT legislation proposing local mandate failed required 2/3 vote
HELD BY GOVERNOR..... Governor has not signed; final disposition to be determined at subsequent session
LEAVE TO WITHDRAW..... sponsor's request to withdraw legislation granted
NOT PROPERLY BEFORE THE BODY ruled out of order by the presiding officer; legislation died
INDEF PP..... indefinitely postponed; legislation died
ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X... ought-not-to-pass report accepted; legislation died
P&S XXX..... chapter # of enacted private & special law
PUBLIC XXX..... chapter # of enacted public Law
RESOLVE XXX..... chapter # of finally passed resolve
VETO SUSTAINED..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 125th Legislature is September 28, 2011. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

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States Department of Transportation Pipeline and Hazardous Materials Safety Administration, but allows the commission to regulate certain specific additional safety issues through major substantive rules;

4. Requires the commission, in applying the atmospheric corrosion control standards established by the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration, to consider atmospheric corrosion to be a condition exhibiting signs of deterioration, including pitting or loss of metal. The commission may not consider surface rust or loss of paint coating to constitute atmospheric corrosion;
5. Provides that the commission may not continue to enforce its existing rules governing the safety and operation standards for liquefied petroleum gas systems but must conduct an examination in consultation with operators of liquefied petroleum gas systems of what rules, beyond the federal minimum standards, may be appropriate to implement the new requirements of the Maine Revised Statutes, Title 35-A, section 4702-A. Consistent with the results of its examination, the commission is required to conduct a rule-making proceeding to provisionally adopt rules to implement Title 35-A, section 4702-A and to submit those rules for legislative review by January 15, 2012;
6. Directs the commission to work with the Maine Energy Marketers Association to develop a request to the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration for a written interpretation of whether certain liquefied petroleum gas systems come within the scope of 49 Code of Federal Regulations, Section 192.1. The request must be cooperatively developed and the questions presented agreed to jointly.

Public Law 2011, chapter 197 was enacted as an emergency measure effective June 2, 2011.

LD 909

**An Act To Provide Additional Flexibility for the Funding of
Infrastructure Improvements by Consumer-owned Water Utilities**

PUBLIC 106

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FITTS	OTP-AM	H-126

This bill is a concept draft pursuant to Joint Rule 208. This bill seeks to provide additional flexibility to consumer-owned water utilities for the funding of infrastructure improvements.

Committee Amendment "A" (H-126)

This amendment replaces the concept draft. It modifies the streamlined rate-making process available to consumer-owned water utilities by:

1. Repealing the requirement that to qualify for a rate increase under the streamlined rate-making process, a consumer-owned water utility must have negative net income in the 2 consecutive fiscal years immediately preceding the year in which the rate increase is proposed;
2. Repealing the requirement that a consumer-owned water utility proposing to use the streamlined rate-making process file with the Public Utilities Commission balance sheets or financial statements for the 3 most recent years together with other annual financial information the commission may prescribe;
3. Clarifying that the consumer-owned water utility must file with the Public Utilities Commission and the Public Advocate all materials supporting the rate increase that are required to be filed under the Maine Revised Statutes, Title 35-A, section 6104, subsection 4-A;
4. Repealing the requirement that when the consumer-owned water utility advertises the public meeting on its rate

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increase the notices must inform customers of the 10-person complaint process under Title 35-A, section 1302; and

5. Increasing the amount of rate increases that may be accomplished through the streamlined rate-making process. Under the amendment: (A) A consumer-owned water utility that has total revenues of at least \$750,000 may increase its rates up to 3% in any single ratemaking and up to 10% over 5 years; (B) A consumer-owned water utility that has total revenues less than \$750,000 but at least \$250,000 may increase its rates up to 5% in any single ratemaking and up to 15% over 5 years; and (C) A consumer-owned water utility that has total revenues of less than \$250,000 may increase its rates up to 7.5% in any single ratemaking and up to 20% over 5 years.

The amendment also directs the Public Utilities Commission to convene a work group to examine ways of ensuring that the capital requirements of these water utilities are provided for in an adequate and appropriate manner. The commission shall report the results of the examination and any recommendations for changes to laws to the Joint Standing Committee on Energy, Utilities and Technology by January 15, 2012. The Joint Standing Committee on Energy, Utilities and Technology may report out a bill to the Second Regular Session of the 125th Legislature relating to the subject matter of the report.

Enacted Law Summary

Public Law 2011, chapter 106 modifies the streamlined rate-making process available to consumer-owned water utilities by:

1. Repealing the requirement that to qualify for a rate increase under the streamlined rate-making process, a consumer-owned water utility must have negative net income in the 2 consecutive fiscal years immediately preceding the year in which the rate increase is proposed;
2. Repealing the requirement that a consumer-owned water utility proposing to use the streamlined rate-making process file with the Public Utilities Commission balance sheets or financial statements for the 3 most recent years together with other annual financial information the commission may prescribe;
3. Clarifying that the consumer-owned water utility must file with the Public Utilities Commission and the Public Advocate all materials supporting the rate increase that are required to be filed under the Maine Revised Statutes, Title 35-A, section 6104, subsection 4-A;
4. Repealing the requirement that when the consumer-owned water utility advertises the public meeting on its rate increase the notices must inform customers of the 10-person complaint process under Title 35-A, section 1302; and
5. Increasing the amount of rate increases that may be accomplished through the streamlined rate-making process. Under this law: (A) A consumer-owned water utility that has total revenues of at least \$750,000 may increase its rates up to 3% in any single ratemaking and up to 10% over 5 years; (B) A consumer-owned water utility that has total revenues less than \$750,000 but at least \$250,000 may increase its rates up to 5% in any single ratemaking and up to 15% over 5 years; and (C) A consumer-owned water utility that has total revenues of less than \$250,000 may increase its rates up to 7.5% in any single ratemaking and up to 20% over 5 years.

This law also directs the Public Utilities Commission to convene a work group to examine ways of ensuring that the capital requirements of these water utilities are provided for in an adequate and appropriate manner. The commission shall report the results of the examination and any recommendations for changes to laws to the Joint Standing Committee on Energy, Utilities and Technology by January 15, 2012. The Joint Standing Committee on Energy, Utilities and Technology may report out a bill to the Second Regular Session of the 125th Legislature relating to the subject matter of the report.