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An Act To Ensure Proper Funding of the Public Utilities Commission

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, it is necessary that the Public Utilities Commission have sufficient funds to carry out its statutory obligations during fiscal years 2007-08 and 2008-09; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 35-A MRS §116, sub-§1, as amended by PL 2005, c. 135, §1, is further amended to read:

1. Utilities subject to assessments. Every transmission and distribution, gas, telephone and water utility and ferry subject to regulation by the commission is subject to an assessment on its intrastate gross operating revenues to produce ~~a total of no more than \$5,505,000 in revenues annually~~ sufficient revenue for expenditures allocated by the Legislature for operating the commission. The portion of the total assessment applicable to each category of public utility is based on an accounting by the commission of the portion of the commission's resources devoted to matters related to each category. The commission shall develop a reasonable and practicable method of accounting for resources devoted by the commission to matters related to each category of public utility. Assessments on each public utility within each category must be based on the utility's gross intrastate operating revenues. The commission shall determine the assessments annually prior to May 1st and assess each utility for its pro rata share for expenditure during the fiscal year beginning July 1st. Each utility shall pay the assessment charged to the utility on or before July 1st of each year. Any increase in the assessment that becomes effective subsequent to May 1st may be billed on the effective date of the act authorizing the increase.

A. The assessments charged to utilities under this section are just and reasonable operating costs for rate-making purposes.

B. For the purposes of this section, "intrastate gross operating revenues" means intrastate revenues derived from filed rates, except revenues derived from sales for resale.

C. Gas utilities subject to the jurisdiction of the commission solely with respect to safety are not subject to any assessment.

D. The commission may correct any errors in the assessments by means of a credit or debit to the following year's assessment rather than reassessing all utilities in the current year.

E. The commission may exempt utilities with annual intrastate gross operating revenues under \$50,000 from assessments under this section.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

SUMMARY

The purpose of this bill is to ensure that sufficient funds are generated to allow the Public Utilities Commission to perform its regulatory responsibilities. This bill would create an assessment mechanism that would allow the commission to perform its ongoing responsibilities.