



127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 660

H.P. 441

House of Representatives, March 3, 2015

An Act To Protect Homeowners from Damage in the Event of a Failure of Public Water Systems

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

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative DeCHANT of Bath.
Cosponsored by Representatives: CHENETTE of Saco, DOORE of Augusta, KUMIEGA of Deer Isle, TIPPING-SPITZ of Orono.

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

2 **Sec. 1. 35-A MRSA §6113-A** is enacted to read:

3 **§6113-A. Homeowner protection fund**

4 The commission shall adopt rules that allow a consumer-owned water utility to
5 establish a homeowner protection fund, referred to in this section as "the fund," to
6 reimburse a homeowner in the event of a water system failure that causes damage to the
7 homeowner's property. The commission's rules must establish the maximum amount that
8 may be credited to or accumulated in the fund, the treatment of the fund for rate-making
9 purposes, the manner in which disbursements from the fund may be made to reimburse
10 homeowners and any other requirements or limitations the commission determines
11 necessary or appropriate to protect ratepayers. A consumer-owned water utility that has
12 accumulated money in its fund may remove money from the fund and return that money
13 to the unappropriated retained earnings account if the utility determines that the removal
14 would be in the best interest of the utility's ratepayers. Rules adopted by the commission
15 pursuant to this section are routine technical rules as defined in Title 5, chapter 375,
16 subchapter 2-A.

17 **SUMMARY**

18 This bill allows a consumer-owned water utility to establish a homeowner protection
19 fund to reimburse a homeowner in the event of a water system failure that causes damage
20 to the homeowner's property. The Public Utilities Commission is required to adopt rules
21 governing the creation and use of such a fund.