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ENERGY, UTILITIES AND TECHNOLOGY

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**STATE OF MAINE
SENATE
131ST LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 146, L.D. 325, “An Act to Improve Consideration of Electricity Rate Increases”

Amend the bill by striking out the title and substituting the following:

'An Act to Require Transparency in Public Utility Advertising Expenditures'

Amend the bill by striking out everything after the enacting clause and inserting the following:

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 A, §6, is repealed and the following enacted in its place:

§302. Limitations on rates

1-A. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Affiliated interest" has the same meaning as in section 707, subsection 1, paragraph A.

B. "Consumer-owned transmission and distribution utility" has the same meaning as in section 3201, subsection 6.

C. "Consumer-owned water utility" has the same meaning as in section 6101, subsection 1-A.

D. "Public charity" has the same meaning as in Title 5, section 194, subsection 1.

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

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

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1 B. Contributions to a public charity, including, but not limited to, a charity managed
2 by the public utility or affiliated interest. This paragraph does not apply to a consumer-
3 owned water utility; and

4 C. Educational expenditures, as defined by the commission by rule under section
5 302-A, unless approved by the commission as serving a public interest. Educational
6 expenditures include expenditures relating to information delivered to the public or to
7 public utility customers by radio, television, the Internet, print and other media or
8 through sponsorships, paid endorsements and public relations campaigns. This
9 paragraph does not apply to a consumer-owned transmission and distribution utility or
10 a consumer-owned water utility.

11 **3. Political, charitable and educational expenses annual report.** A public utility
12 shall file a report annually with the commission containing a written, itemized description
13 of any expenses that may not be included or incorporated in the public utility's operating
14 expenses under subsection 2. The report must also include a written, itemized description
15 of the expenses that may not be included or incorporated in the public utility's operating
16 expenses under subsection 2 that are relevant to the business interests of the public utility
17 paid by a membership organization, as defined by the commission by rule under section
18 302-A, of which the public utility is a member. For each expense, the report must include
19 the date, the payee, the amount and a description of the purpose of the expense.

20 **4. Major political activities quarterly report.** In addition to the report required under
21 subsection 3, if a public utility or an affiliated interest engages in major political activities,
22 as defined by the commission by rule under section 302-A, the public utility shall file a
23 quarterly report containing a written description of those major political activities and the
24 expenditures associated with those activities. For each expenditure, the report must include
25 the date, the payee, the amount and a description of the purpose of the expenditure.

26 **5. Public inspection.** The public utility shall make available for public inspection all
27 materials filed with the commission in accordance with subsections 3 and 4. The
28 commission shall make available the annual reports filed by public utilities in accordance
29 with this section on its publicly accessible website with notice of the availability of the
30 reports prominently displayed on the website.

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

32 **§302-A. Rules governing political activities, promotional advertising, charitable**
33 **contributions, educational expenditures and institutional advertising**

34 ~~Rules adopted by the~~ The commission shall adopt rules necessary to implement section
35 302, including, but not limited to, rules 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. Rules adopted under this
41 section are major substantive routine technical rules as defined in Title 5, chapter 375,
42 subchapter 2-A. Rules on these matters in effect on the effective date of this section remain
43 in effect and do not require legislative approval but any changes to such rules are subject
44 to review and approval in accordance with Title 5, chapter 375, subchapter 2-A.

