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ENERGY, UTILITIES AND TECHNOLOGY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
127TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 599, L.D. 880, Bill, “An Act To Permit Rate-adjustment Mechanisms for Water Utilities”

Amend the bill in section 1 in §6102-A by striking out all of subsection 1 (page 1, lines 4 to 9 in L.D.) and inserting the following:

1. Rate-adjustment mechanism. Notwithstanding any provision of law to the contrary, the commission may establish or authorize a reasonable rate-adjustment mechanism to decouple water utility revenues from water utility sales through revenue reconciliation when changes in sales are due to a change in the number of customers or a change in the volume of consumption. In determining the reasonableness of any such rate-adjustment mechanism, the commission shall apply the standards of section 301 and shall consider the transfer of risks associated with any such changes in sales and, to the extent these risks are transferred between the utility and its customers, the commission shall consider the effect of the transfer of risk in determining a utility's allowed rate of return.'

SUMMARY

This amendment changes the method proposed in the bill by which the Public Utilities Commission may authorize a reasonable rate-adjustment mechanism to allow the commission of its own volition to establish or authorize a reasonable rate-adjustment mechanism to decouple water utility revenues from water utility sales through revenue reconciliation when there is a change in sales due to a change in the number of customers or a change in the volume of consumption.