CHAPTER 35

CONSUMER-OWNED TRANSMISSION AND DISTRIBUTION UTILITIES

§3501. Definitions

1. Consumer-owned transmission and distribution utility. For the purposes of this chapter, "consumer-owned transmission and distribution utility" means any transmission and distribution utility that is wholly owned by its consumers, including its consumers served in the State. "Consumer-owned transmission and distribution utility" includes but is not limited to:

A. Any rural electrification cooperative organized under chapter 37; [PL 1987, c. 141, Pt. A, §6 (NEW).]

B. Any electrification cooperative organized on a cooperative plan under the laws of the State; [PL 1987, c. 141, Pt. A, §6 (NEW).]

C. Any municipal or quasi-municipal transmission and distribution utility located in the State; [PL 2019, c. 311, §2 (AMD).]

D. The portion of any municipal or quasi-municipal entity located in the State providing transmission and distribution services; and [PL 2019, c. 311, §2 (AMD).]

E. Any transmission and distribution utility wholly owned by a municipality located in the State. [PL 2019, c. 311, §2 (AMD).]

[PL 2019, c. 311, §2 (AMD).]

SECTION HISTORY

PL 1987, c. 141, §A6 (NEW). PL 1987, c. 490, §C9 (AMD). PL 1999, c. 398, §A85 (AMD). PL 1999, c. 398, §§A104,105 (AFF). PL 2019, c. 311, §2 (AMD).

§3502. Procedures for changes in rates

Notwithstanding section 310, any consumer-owned transmission and distribution utility that proposes to increase rates, tolls or charges by not more than 15% of the utility's annual operating revenues or proposes to decrease rates, tolls or charges in any amount may elect to set rates pursuant to this section and section 3503. [PL 1999, c. 398, Pt. A, §86 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

1. Public hearing. A consumer-owned transmission and distribution utility that elects to set rates under this section may not increase or decrease any rate, toll or charge without first holding a public hearing at which the Public Advocate and any customer of the consumer-owned transmission and distribution utility may present testimony and may question the officials present regarding the proposed rate change.

[PL 1999, c. 398, Pt. A, §86 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

2. Notification. The consumer-owned transmission and distribution utility shall, at least 30 days prior to the hearing, publish a notice of the amount of the proposed rate change, the percent of change for each customer class and the hearing, including the date, time, place and purpose of the hearing, in a newspaper of general circulation in the area encompassed by the consumer-owned transmission and distribution utility. In addition, 60 days prior to the hearing, the consumer-owned transmission and distribution utility shall notify the commission and the Public Advocate of its intent to change rates, tolls or charges.

[PL 1999, c. 398, Pt. A, §86 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

3. Ratepayer notification. Each consumer-owned transmission and distribution utility shall give, at least 30 days prior to the public hearing, one notice to each of its ratepayers of:

A. The amount of the proposed rate change; [PL 1995, c. 255, §3 (AMD).]

B. The percent of change for each customer class; [PL 1995, c. 255, §3 (AMD).]

C. The customer's right to request information relating to the present and proposed rates; [PL 1987, c. 141, Pt. A, §6 (NEW).]

D. The customer's right to an open and fair hearing and to further hearings before the commission; [PL 1995, c. 255, §3 (AMD).]

E. The availability of assistance from the Public Advocate; [PL 1993, c. 589, §3 (AMD).]

F. The date, time, place and purpose of the hearing; and [PL 1993, c. 589, §4 (AMD).]

G. The customer's right to petition the commission to investigate the proposed rate change, the requirement that signatures on petitions filed pursuant to subsection 8 are invalid unless accompanied by the printed names and addresses of the signers and the fact that the utility will, upon request, provide customers with petition forms that include space for signatures and the printed names and addresses of the signers. [PL 1995, c. 255, §3 (AMD).]

[PL 1999, c. 398, Pt. A, §86 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

4. Customer rights. At the commencement of each hearing held pursuant to this section, the consumer-owned transmission and distribution utility shall inform those present of customer rights as specified in subsection 3, that the rate change may be investigated by the commission in accordance with subsection 8 and that petitions filed pursuant to subsection 8 must bear the signature, printed name and address of the signer. Upon request, the utility shall provide customers with petition forms that include a place for signatures and the printed names and addresses of the signers.

[PL 1999, c. 398, Pt. A, §86 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

5. Supporting materials. The consumer-owned transmission and distribution utility shall file a copy of all materials supporting the proposed rate change with the commission and the Public Advocate, at least 30 days prior to the hearing. A copy of all material supporting the proposed rate change must be made available to customers for examination at the offices of the consumer-owned transmission and distribution utility for at least 30 days prior to the hearing. The consumer-owned transmission and distribution utility shall promptly provide any relevant additional material or information requested by a customer or by the commission or by the Public Advocate.

[PL 1999, c. 398, Pt. A, §86 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

6. Filing changed rates. The consumer-owned transmission and distribution utility shall file its changed rates with the commission within 30 days of the public hearing, but not sooner than 10 days following the public hearing. The commission may order the consumer-owned transmission and distribution utility to correct any mathematical or clerical errors.

[PL 1999, c. 398, Pt. A, §86 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

7. Effective date of rate change. Subject to the notice and waiver requirements of section 307, consumer-owned transmission and distribution utilities electing to set rates under this section may establish an effective date for any rate change of at least one month, but not more than 9 months, from the date the rates are filed with the commission.

[PL 1999, c. 398, Pt. A, §86 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

8. Authority to investigate rate changes. If, within 30 days of the public hearing, 10% of the customers of the consumer-owned transmission and distribution utility or 750 customers, whichever is less, file with the utility and with the commission petitions requesting a review of the rate change by the commission, the rate change may be suspended, investigated, reviewed and changed by the commission in accordance with section 310, except that no suspension ordered issued by the

commission pursuant to section 310 may be effective for a period greater than 9 months from the date the rate changes were filed.
[PL 1999, c. 398, Pt. A, §86 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

9. Procedures for suspension of rate change. If the number of signatures on the petition is at least 750 or if the number of signatures on the petition equals or exceeds 10% of the customers indicated on the consumer-owned transmission and distribution utility's most recent annual report on file with the commission, the commission may suspend the rate change pursuant to section 310. The commission shall notify the utility of the suspension.
[PL 1999, c. 398, Pt. A, §86 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

10. Transmission and distribution utility may challenge petitions. A consumer-owned transmission and distribution utility has 10 days from the receipt of notice to notify the commission and the lead petitioner whether it intends to contest any aspect of the validity of the petitions, after which it loses that right. If the utility intends to challenge the validity of individual signatures on the petitions, it shall identify, in its notice to the commission and lead petitioner, the specific signatures it is challenging and state the grounds for challenging each signature it believes is invalid. When the utility files its notice of intent to challenge the validity of the petitions, the utility shall provide the commission and the lead petitioner with a list of its customers. If the utility notifies the commission in a timely fashion that it wishes to contest the validity of the petitions, the commission shall set the matter for hearing. It shall hold the hearing and issue its decision on the validity of the petitions within 30 days of notification by the utility that it intends to contest the validity of the petitions. If the commission finds the petitions to be invalid, it shall lift its order of suspension. For the purposes of this section, "customer" means, in the case of residential accounts, any one adult residing in a household where the utility's transmission and distribution service is provided and, in the case of all other accounts where the utility's transmission and distribution service is provided, a corporate officer, a partner or a proprietor. No more than one person may sign on behalf of an account. A person may not sign on behalf of more than one account unless the person is a customer at each account.

A signature on a petition filed pursuant to subsection 8 is valid only if accompanied by the printed name and address of the signer. If a petition filed pursuant to subsection 8 bears a sufficient total number of signatures but an insufficient number of printed names and addresses of the signers, the lead petitioner has 7 days from receipt of notice of the utility's challenge to cure the invalidity. If the utility's only challenge to a petition relates to the absence of printed names or addresses of the signers of the petition and the lead petitioner cures the invalidity as provided in this subsection, the commission is not required to hold a hearing under this subsection.
[PL 1999, c. 398, Pt. A, §86 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

11. Review of rates under section 310. Nothing in this section prohibits a consumer-owned transmission and distribution utility from petitioning the commission for review pursuant to section 310 in the first instance.
[PL 1999, c. 398, Pt. A, §86 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

12. Frequency of rate increases. A consumer-owned transmission and distribution utility may not institute a general increase in its rates under this section within one year of its most recent general increase in rates pursuant to this section. For the purposes of this section, a "general increase in rates" means any change in the rates, tolls and charges of a consumer-owned transmission and distribution utility, the effect of which is to increase the annual operating revenues of a consumer-owned transmission and distribution utility by more than 1%.
[PL 1999, c. 398, Pt. A, §86 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

13. Penalty. If, upon the filing of a rate change pursuant to this section, the commission finds that the utility has failed to comply with this section, the commission may suspend the rates for investigation

pursuant to section 310. If there is a substantial procedural violation of this section, the commission may prohibit the utility from filing rates pursuant to this section in its next rate case.
[PL 1995, c. 255, §6 (AMD).]

SECTION HISTORY

PL 1987, c. 141, §A6 (NEW). PL 1989, c. 159, §§4-6 (AMD). PL 1993, c. 512, §§1,2 (AMD). PL 1993, c. 589, §§3-7 (AMD). PL 1995, c. 255, §§1-6 (AMD). PL 1999, c. 398, §A86 (AMD). PL 1999, c. 398, §§A104,105 (AFF).

§3503. Rates for consumer-owned transmission and distribution utilities

1. Scope of section. Notwithstanding any other provision of law or any charter to the contrary and in addition to any charter or private and special laws creating or affecting any consumer-owned transmission and distribution utility, the rate, toll or charge made, exacted, demanded or collected by the consumer-owned transmission and distribution utility is governed by this section.
[PL 1999, c. 398, Pt. A, §87 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

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

A. "Abandoned capital credit" means a deposit or refund owed to a member of a rural electrification cooperative as defined in section 3703, subsection 2 that is unclaimed by the member one year after the deposit or refund becomes payable. [PL 2023, c. 483, §2 (NEW).]

B. "Governing body" means the governing body of a consumer-owned transmission and distribution utility. [PL 2023, c. 483, §2 (NEW).]
[PL 2023, c. 483, §2 (RPR).]

3. Just and reasonable rates. The governing body shall establish and file rates, tolls and charges that are just and reasonable and that provide revenue as may be required for the consumer-owned transmission and distribution utility to perform its public utility service and to attract necessary capital on just and reasonable terms.
[PL 1999, c. 398, Pt. A, §87 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

4. Nondiscriminatory rates. The governing body shall establish and file rates that are nondiscriminatory and that are applied on a nondiscriminatory basis.
[PL 1999, c. 398, Pt. A, §87 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

5. Purposes. The governing body may establish and file rates under this section to provide revenue for the following purposes, but no other:

A. To pay the current expenses for operating and maintaining the transmission and distribution system and to provide for normal renewals and replacements; [PL 1999, c. 398, Pt. A, §87 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

B. To provide for the payment of the interest on the indebtedness created or assumed by the utility; [PL 1987, c. 141, Pt. A, §6 (NEW).]

C. For consumer-owned transmission and distribution utilities, except rural electrification cooperatives:

(1) To provide each year a sum equal to not less than 2% nor more than 10% of the term indebtedness represented by the issuance of bonds created or assumed by the utility, which sum must be turned into a sinking fund and kept to provide for the extinguishment of term indebtedness. The money set aside in this sinking fund and all interest accrued to this fund must be devoted to the retirement of the term obligations of the utility and may be invested in such securities as savings banks in the State are allowed to hold;

(2) To provide for annual principal payments on serial indebtedness created or assumed by the utility; and

(3) To provide for a contingency reserve fund, 1/2 of which may be used for capital purposes, to reflect up to a 35% addition to yearly revenues over the amount required to operate the utility. The commission may authorize a utility to establish rates to provide for a contingency reserve fund to reflect an amount greater than a 35% addition to yearly revenues over the amount required to operate the utility. Any surplus in excess of this 35% or the percentage authorized by the commission in accordance with this subparagraph must be used to offset future revenue requirements in the setting of rates. Any interest generated on these funds must be deposited into the contingency reserve fund. The balance in the contingency reserve fund at the close of the utility's fiscal year may not exceed 35% or the percentage authorized by the commission of the yearly revenues over the amount required to operate the utility; and [PL 2025, c. 214, §1 (AMD).]

D. For rural electrification cooperatives supplying or authorized to supply energy, to provide for debt service coverage by providing rates to reflect an additional amount no more than the amount of yearly long-term interest payments. The total amount of equity may not exceed the level of equity required by the lender and in no case may exceed 40% of the rural electrification cooperative's total assets minus total reserves as shown on the cooperative's annual report to the commission submitted pursuant to section 504, subsection 2. Any surplus in excess must be used to offset future revenue requirements in the setting of rates. [PL 1993, c. 512, §3 (AMD).]

The limitations set out in this subsection apply only in the case of rates established pursuant to this section and do not limit the discretion of the commission in setting rates under any other section.
[PL 2025, c. 214, §1 (AMD).]

6. Penalty. If, as a result of investigation pursuant to section 310, 1302 or 1303, the commission finds that the utility has set rates pursuant to section 3502 that significantly exceed the limits of this section, the commission may order the utility to use any existing surplus to offset future revenue requirements and may suspend the utility's rights pursuant to section 3502 for a specified time period.
[PL 1999, c. 398, Pt. A, §87 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

7. Abandoned capital credits. Abandoned capital credits must be used to provide assistance to low-income households in accordance with section 3214.
[PL 2023, c. 483, §3 (NEW).]

SECTION HISTORY

PL 1987, c. 141, §A6 (NEW). PL 1993, c. 512, §3 (AMD). PL 1999, c. 102, §1 (AMD). PL 1999, c. 398, §A87 (AMD). PL 1999, c. 398, §§A104,105 (AFF). PL 2023, c. 483, §§2, 3 (AMD). PL 2025, c. 214, §1 (AMD).

§3504. Treatment of certain small consumer-owned transmission and distribution utilities

1. Exemption. Upon request of a consumer-owned transmission and distribution utility of not more than 150 customers, the commission may exempt the utility from any of the requirements of any commission rules and this Title, with the exception of sections 3502 and 3503.
[PL 1999, c. 398, Pt. A, §88 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

2. Rule-making considerations. The commission shall take into account the form of governance of consumer-owned transmission and distribution utilities when promulgating rules and shall state in any notice of proposed rulemaking relating to those utilities what consideration has been given to the ability of those utilities to regulate matters covered under their own authority and, in promulgating those rules, may not impose unreasonable requirements on consumer-owned transmission and distribution utilities.
[PL 1999, c. 398, Pt. A, §88 (AMD); PL 1999, c. 398, Pt. A, §§104, 105 (AFF).]

SECTION HISTORY

PL 1987, c. 141, §A6 (NEW). PL 1989, c. 101 (RPR). PL 1999, c. 398, §A88 (AMD). PL 1999, c. 398, §§A104,105 (AFF).

§3505. Sunset provision

(REPEALED)

SECTION HISTORY

PL 1987, c. 141, §A6 (NEW). PL 1987, c. 571 (AMD). PL 1991, c. 651 (RP). MRSA T. 35-A §3505 (RP).

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