1	L.D. 325
2	Date: (Filing No. S-)
3	ENERGY, UTILITIES AND TECHNOLOGY
4	Reproduced and distributed under the direction of the Secretary of the Senate.
5	STATE OF MAINE
6	SENATE
7	131ST LEGISLATURE
8	FIRST SPECIAL SESSION
9 10	COMMITTEE AMENDMENT " to S.P. 146, L.D. 325, "An Act to Improve Consideration of Electricity Rate Increases"
11	Amend the bill by striking out the title and substituting the following:
12	'An Act to Require Transparency in Public Utility Advertising Expenditures'
13 14	Amend the bill by striking out everything after the enacting clause and inserting the following:
15 16	'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 A, §6, is repealed and the following enacted in its place:
17	§302. Limitations on rates
18 19	1-A. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.
20 21	A. "Affiliated interest" has the same meaning as in section 707, subsection 1, paragraph A.
22 23	B. "Consumer-owned transmission and distribution utility" has the same meaning as in section 3201, subsection 6.
24 25	C. "Consumer-owned water utility" has the same meaning as in section 6101, subsection 1-A.
26	D. "Public charity" has the same meaning as in Title 5, section 194, subsection 1.
27 28 29	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:
30 31 32	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;

- B. Contributions to a public charity, including, but not limited to, a charity managed by the public utility or affiliated interest. This paragraph does not apply to a consumerowned water utility; and
- C. Educational expenditures, as defined by the commission by rule under section 302-A, unless approved by the commission as serving a public interest. Educational expenditures include expenditures relating to information delivered to the public or to public utility customers by radio, television, the Internet, print and other media or through sponsorships, paid endorsements and public relations campaigns. This paragraph does not apply to a consumer-owned transmission and distribution utility or a consumer-owned water utility.
- 3. Political, charitable and educational expenses annual report. A public utility shall file a report annually with the commission containing a written, itemized description of any expenses that may not be included or incorporated in the public utility's operating expenses under subsection 2. The report must also include a written, itemized description of the expenses that may not be included or incorporated in the public utility's operating expenses under subsection 2 that are relevant to the business interests of the public utility paid by a membership organization, as defined by the commission by rule under section 302-A, of which the public utility is a member. For each expense, the report must include the date, the payee, the amount and a description of the purpose of the expense.
- 4. Major political activities quarterly report. In addition to the report required under subsection 3, if a public utility or an affiliated interest engages in major political activities, as defined by the commission by rule under section 302-A, the public utility shall file a quarterly report containing a written description of those major political activities and the expenditures associated with those activities. For each expenditure, the report must include the date, the payee, the amount and a description of the purpose of the expenditure.
- **5. Public inspection.** The public utility shall make available for public inspection all materials filed with the commission in accordance with subsections 3 and 4. The commission shall make available the annual reports filed by public utilities in accordance with this section on its publicly accessible website with notice of the availability of the reports prominently displayed on the website.
 - Sec. 2. 35-A MRSA §302-A, as enacted by PL 2005, c. 204, §1, is amended to read:

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

Rules adopted by the <u>The commission shall adopt rules necessary to implement section</u> 302, including, but not limited to, rules concerning promotional advertising; promotional allowances, including, but not limited to, the granting of promotional rebates or credits; advertising to promote corporate image or goodwill; <u>contributions to public charities as defined in Title 5, section 194, subsection 1; educational expenditures; or political activities, including major political activities, by a public utilities utility or an affiliated interest as defined in section 707, subsection 1, paragraph A. Rules adopted under this section are major substantive routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. Rules on these matters in effect on the effective date of this section remain in effect and do not require legislative approval but any changes to such rules are subject to review and approval in accordance with Title 5, chapter 375, subchapter 2-A.</u>

Sec. 3. Rulemaking. By November 1, 2023, the Public Utilities Commission shall initiate rulemaking to amend its rules under the Maine Revised Statutes, Title 35-A, section 302-A to implement the requirements of this Act. The commission's rules may not require public utilities to file more than one annual report related to advertising and political activities except as required under Title 35-A, section 302, subsection 4.'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment replaces the bill. It prohibits a public utility from including in operating expenses costs, whether incurred by the public utility or an affiliated interest, associated with political contributions and charitable contributions. It permits educational expenditures to be included in operating expenses if those costs are approved by the Public Utilities Commission as serving a public interest. The amendment excepts consumerowned transmission and distribution utilities and consumer-owned water utilities from the limitations related to educational expenditures. It excepts consumer-owned water utilities from the limitations related to contributions to a public charity.

The amendment requires a public utility to file an annual report with the commission of the political, charitable and educational expenses of the public utility and its affiliated interests if the public utility has expenses that are subject to the limitations. The report must also include a written, itemized description of the political, charitable and educational expenses paid by a membership organization, as defined by the commission by rule, of which the public utility is a member. If a public utility or an affiliated interest engages in major political activities, it must also file a quarterly report with the commission. The public utility must make the annual report and the quarterly reports available to the public for inspection. The amendment requires the commission to amend its rules regarding charitable contributions and educational expenditures by a public utility or an affiliated interest. The amendment also specifies that commission rules related to political activities, promotional advertising, charitable contributions, educational expenditures and institutional advertising are routine technical rules.

FISCAL NOTE REQUIRED (See attached)

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