

**§301. Safe facilities; just and reasonable rates**

**1. Facilities.** Every public utility shall furnish safe, reasonable and adequate facilities and service. [PL 1987, c. 141, Pt. A, §6 (NEW).]

**1-A. Minimum service standards and report card for transmission and distribution utilities.** The commission shall adopt rules for utilities with over 50,000 customers in accordance with this subsection governing the evaluation of transmission and distribution utility service, which must take into account the specific characteristics of each utility and its service territory. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

A. The rules must include specific, quantitative metrics pertaining to utility operations and activities relating to each of the following categories:

- (1) Service quality, including but not limited to reliability of service and timeliness of restoring service after outages;
- (2) Customer service, including but not limited to timeliness and accuracy of bills;
- (3) Field services, including but not limited to communication with and responsiveness to municipalities, businesses and individuals; and
- (4) Distributed energy resources interconnection. [PL 2021, c. 702, §1 (NEW).]

B. The commission shall consider the cost impacts and benefits to ratepayers when establishing each service standard and metric pursuant to paragraph A and shall ensure that the performance of each service standard and metric may be measured using reliable and objective methods and information. [PL 2021, c. 702, §1 (NEW).]

C. The commission shall set reporting requirements for each metric, including data specifications and reporting periods, adequate to track progress in areas of performance. [PL 2021, c. 702, §1 (NEW).]

D. The commission shall designate service standards based on thresholds of performance. [PL 2021, c. 702, §1 (NEW).]

E. For each service standard, the commission shall require quarterly filing of quantifiable data sufficient for the commission to calculate and publish a quantitative score for the service standard. [PL 2021, c. 702, §1 (NEW).]

F. Annually, the commission shall evaluate the data provided by a transmission and distribution utility in accordance with paragraph E for the prior calendar year to determine if the standards established by the commission pursuant to this section have been met. [PL 2021, c. 702, §1 (NEW).]

G. The commission shall impose administrative penalties for designated thresholds of poor performance for service standards in accordance with section 1508-A, subsection 1, paragraph E unless the utility demonstrates good cause for its failure to meet the standard. [PL 2021, c. 702, §1 (NEW).]

H. The commission shall publish quarterly reports containing scores for each service standard for each utility. [PL 2021, c. 702, §1 (NEW).]

I. The commission may audit the data reported by a utility for each standard. [PL 2021, c. 702, §1 (NEW).]

Nothing in this subsection prohibits the commission from establishing service quality standards for transmission and distribution utilities with fewer than 50,000 customers. [PL 2021, c. 702, §1 (NEW).]

**2. Rates.** The rate, toll or charge, or any joint rate made, exacted, demanded or collected by any public utility for production, transmission, delivery or furnishing of electricity, gas, heat or water; for communications service; or for transportation of persons or property within this State or for any service rendered or to be rendered in connection with any public utility, shall be just and reasonable.

[PL 1987, c. 141, Pt. A, §6 (NEW).]

**3. Unreasonable rates prohibited.** Every unjust or unreasonable charge for public utility service is prohibited and declared unlawful.

[PL 1987, c. 141, Pt. A, §6 (NEW).]

**4. Determining rates.** In determining just and reasonable rates, the commission:

A. Shall provide such revenues to the utility as may be required to perform its public service and to attract necessary capital on just and reasonable terms; and [PL 1987, c. 141, Pt. A, §6 (NEW).]

B. Shall, to a level within the commission's discretion, consider whether the utility is operating as efficiently as possible and is utilizing sound management practices, including the treatment in rates of executive compensation. [PL 1993, c. 506, §1 (AMD).]

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**5. Transmission and distribution utility report required; audits.** If the commission has not made a rate determination within the preceding 5 years for a transmission and distribution utility that serves more than 50,000 customers, the utility shall submit a report to the commission that includes a comparison of the utility's actual costs with cost estimates used in the utility's most recent rate case to set rates. Upon a finding of the commission that there was a difference of more than 10% between the transmission and distribution utility's actual costs and estimated costs, the commission may:

A. Require an audit of the transmission and distribution utility in accordance with section 113; or [PL 2021, c. 702, §2 (NEW).]

B. Disallow cost recovery in the transmission and distribution utility's future rate cases. [PL 2021, c. 702, §2 (NEW).]

This subsection takes effect January 15, 2024.

[PL 2021, c. 702, §2 (NEW).]

**6. Investor-owned transmission and distribution utility expenditures; comparison.** No later than November 1, 2022, the commission shall initiate a proceeding to conduct a detailed comparison of the annual expenditures of each investor-owned transmission and distribution utility in the State with the annual expenditures of other comparable investor-owned transmission and distribution utilities located in the United States. When conducting this analysis, the commission shall identify specific categories in which spending by an investor-owned transmission and distribution utility significantly deviated from those expenditures of comparable investor-owned transmission and distribution utilities. The commission may use the results of this analysis in future rate cases involving an investor-owned transmission and distribution utility. The commission may undertake a new comparison or update an existing one in accordance with this subsection at any time the commission determines is necessary. For purposes of this subsection, a comparable investor-owned transmission and distribution utility is one that provides electricity delivery in a service territory in a northern climate that is primarily wooded and includes urban and rural areas.

[PL 2021, c. 702, §3 (NEW).]

#### SECTION HISTORY

PL 1987, c. 141, §A6 (NEW). PL 1987, c. 377 (AMD). PL 1993, c. 506, §1 (AMD). PL 2021, c. 702, §§1-3 (AMD).

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