

§3209. Rate design

The commission shall set charges and rates collected by transmission and distribution utilities in accordance with this section. [PL 1997, c. 316, §3 (NEW).]

1. Applicable law. The design of rate recovery for the collection of transmission and distribution costs, stranded costs and other costs recovered pursuant to this chapter must be consistent with existing law, as applicable. The commission may continue to permit recovery, in transmission and distribution utility rates, of costs previously incurred by the utility when it was an integrated electric utility that are not included in the recovery of stranded costs pursuant to section 3208. [PL 1997, c. 316, §3 (NEW).]

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

A. "Beneficial electrification" has the same meaning as in section 10102, subsection 3-A. [PL 2025, c. 391, §1 (NEW).]

B. "Intermediate commercial customer" means a nonresidential customer that meets the availability criteria to take service under a core customer class of a transmission and distribution utility that includes a demand charge and that is not classified as a medium commercial customer or a large commercial customer. [PL 2025, c. 391, §1 (NEW).]

C. "Large commercial customer" means a nonresidential customer that meets the availability criteria to take service under a core customer class of a transmission and distribution utility in which a customer takes electrical service from the utility at a subtransmission or transmission voltage or in which a customer has a maximum demand of at least 500 kilowatts as defined under the terms and conditions of the transmission and distribution utility. [PL 2025, c. 391, §1 (NEW).]

D. "Lighting customer" means a nonresidential customer whose account for electricity service is limited to street or area lighting. [PL 2025, c. 391, §1 (NEW).]

E. "Medium commercial customer" has the same meaning as in section 3106, subsection 1, paragraph B. [PL 2025, c. 391, §1 (NEW).]

F. "Post-restructuring stranded costs" means costs allocated to a transmission and distribution utility pursuant to section 3209-C, subsection 2, paragraph B and pursuant to section 3210-F, subsection 3. [PL 2025, c. 391, §1 (NEW).]

G. "Residential customer" has the same meaning as in section 3106, subsection 1, paragraph C. [PL 2025, c. 391, §1 (NEW).]

H. "Small commercial customer" has the same meaning as in section 3106, subsection 1, paragraph D. [PL 2025, c. 391, §1 (NEW).]

[PL 2025, c. 391, §1 (NEW).]

2. Proceeding. Following notice and hearing, the commission shall complete an adjudicatory proceeding on or before December 1, 1999 for the design of cost recovery for transmission and distribution costs, stranded costs and other costs recovered pursuant to this chapter and for the design of rates for backup or standby service.

[PL 1999, c. 398, Pt. L, §2 (AMD).]

3. Exit fees. A customer who significantly reduces or eliminates consumption of electricity due to self-generation, conversion to an alternative fuel or demand-side management may not be assessed an exit or reentry fee in any form for the reduction or elimination of consumption or reestablishment of service with a transmission and distribution utility.

[PL 1997, c. 316, §3 (NEW).]

4. Decommissioning costs. As required by federal law, rule or order, the commission shall include in the rates of a transmission and distribution utility decommissioning expenses associated with a nuclear unit.

[PL 1997, c. 316, §3 (NEW).]

5. Post-restructuring stranded costs. No later than October 1, 2025, each investor-owned transmission and distribution utility shall recover post-restructuring stranded costs in accordance with the rate design established by the commission in accordance with this subsection. For investor-owned transmission and distribution utility rates applicable prior to July 1, 2028, the commission shall establish a rate design for each investor-owned transmission and distribution utility in the State for the recovery of post-restructuring stranded costs that:

A. Aggregates the customers of investor-owned transmission and distribution utilities in the State on a statewide basis into groups of large commercial customers, medium commercial customers, intermediate commercial customers, small commercial customers, lighting customers and residential customers; [PL 2025, c. 391, §2 (NEW).]

B. Notwithstanding section 3209-C, subsection 2, paragraph B and section 3210-F, subsection 3, allocates the combined post-restructuring stranded costs, as determined by the commission, for investor-owned transmission and distribution utilities in the State to each customer class group described in paragraph A, based on each group's pro rata share of statewide post-restructuring stranded costs based on total retail kilowatt-hour energy sales to those customers; [PL 2025, c. 391, §2 (NEW).]

C. For any rate design established by the commission to apply after September 30, 2025 and before July 1, 2028, increases the cost allocation to residential customers, small commercial customers and medium commercial customer groups as calculated in accordance with paragraph B by 10% and reduces the cost allocation to the large commercial customer class group by an equal dollar amount; and [PL 2025, c. 391, §2 (NEW).]

D. Requires each investor-owned transmission and distribution utility, prior to October 1, 2025, to calculate its post-restructuring stranded cost rates, including any annual reconciliation of costs, by applying a rate design that:

(1) For residential customers and small commercial customers, is recovered 100% through a fixed monthly charge;

(2) For medium commercial customers, is recovered 50% through a fixed monthly charge and 50% through a volumetric per kilowatt-hour charge;

(3) For intermediate commercial customers and large commercial customers, is recovered 85% through a fixed monthly charge and 15% through a volumetric per kilowatt-hour charge; and

(4) For lighting customers, is recovered 100% through a volumetric per kilowatt-hour charge.

[PL 2025, c. 391, §2 (NEW).]

[PL 2025, c. 391, §2 (NEW).]

6. Post-restructuring stranded cost allocation; rate design. For post-restructuring stranded cost allocations and rate designs applicable on or after July 1, 2028, the commission shall by order establish such cost allocations and rate designs applicable for the following 3-year period, subject to annual and other necessary reconciliations, and ensure the promotion of beneficial electrification in every customer class.

[PL 2025, c. 391, §3 (NEW).]

SECTION HISTORY

PL 1997, c. 316, §3 (NEW). PL 1999, c. 398, §L2 (AMD). PL 2025, c. 391, §§1-3 (AMD).

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