# **65-407 PUBLIC UTILITIES COMMISSION**

**Chapter 120: FILING REQUIREMENTS FOR SCHEDULES OF RATES, TERMS AND CONDITIONS**

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**65-407 PUBLIC UTILITIES COMMISSION**

**Chapter 120: FILING REQUIREMENTS FOR SCHEDULES OF RATES, TERMS AND CONDITIONS**

**SUMMARY:** This Rule establishes requirements for the form, content, and organization of all filings of schedules of rates and terms and conditions by public utilities with the Public Utilities Commission, and specifies additional information to be submitted in connection with general rate cases. A two-month advance notification of general rate cases is required for major utilities. The Rule also describes the requirements for water utility rate filings under 35-A M.R.S.A. § 6104 and consumer-owned electric utility rate filings under 35-A M.R.S.A. § 3502. The rule allows the Commission to waive any requirement for good cause, and establishes procedures for the handling of defective filings. The Administrative Director and Assistant Administrative Director are delegated authority to review and suspend filings, waive requirements, and order corrections of schedules.

**1. PURPOSE AND EFFECT**

A. **Purpose**. The purpose of this Rule is to specify the Commission's requirements for the form, content, and advance notice filings of schedules of rates and terms and conditions.

B. **Minimum Requirements**. Nothing in this Rule prohibits the submission of additional data with any filing, nor does this Rule in any way limit the Commission's authority to require submission of additional information.

C. **Burden of Proof**. Compliance with this Rule shall not discharge the burden of proof placed upon a public utility pursuant to 35-A M.R.S.A. §§ 310(1) and 1314.

D. **Applicability of Rule Sections**.

1. **General Provisions.** Sections 1, 2, 9, 10, and 11 apply to all public utilities except for those COCOT providers that are public utilities due only to their provision of COCOT services under Chapter 250 of the Commission's Rules (65-407 C.M.R. 250).

2. **Form and Content of Filings.** Sections 3 and 4 apply to all schedules filed by any public utility. COCOT providers that are public utilities due only to their provision of COCOT services under Chapter 250 of the Commission's Rules (65-407 C.M.R. 250) are not subject to these provisions but instead must comply with filing requirements contained in Chapter 250.

3. **Content of General Rate Cases.** Section 5 applies to any general rate case, as defined in Section 2(E), filed by a public utility pursuant to 35-A M.R.S.A. § 307, except any rate filing by:

a. A consumer-owned water utility pursuant to 35-A M.R.S.A. § 6104, unless the filing is suspended pursuant to Section 7(A)(3) of this Rule;

b. A consumer-owned electric utility pursuant to 35-A M.R.S.A. § 3502, unless the filing is suspended pursuant to Section 8(A)(3) of this Rule;

c. The Casco Bay Island Transit District or any other ferry in Casco Bay subject to the Commission's jurisdiction pursuant to 35-A M.R.S.A. § 5101 et seq., which must comply with Chapter 560 of the Commission's Rules (65-407 C.M.R. 560);

d. A radio common carrier or cellular service provider as defined in Chapter 240 of the Commission's Rules (65-407 C.M.R. 240), which must comply with Section IV(A) thereof; or,

e. A coin-operated telephone service as defined in Chapter 250 of the Commission's Rules (65-407 C.M.R. 250), which must comply with Section 4(H) thereof.

4. **Major Utility Rate Cases.** Section 6 applies to any major utility as defined by Section 2(F) of this Rule.

5. **Consumer-Owned Water Utilities.** Section 7 applies to rate filings made by consumer-owned water utilities pursuant to 35-A M.R.S.A. § 6104.

6. **Consumer-Owned Electric Utilities.** Section 8 applies to rate filings made by consumer-owned electric utilities pursuant to 35-A M.R.S.A. § 3502.

**2. DEFINITIONS**

A. **Commission**. "Commission" means the Maine Public Utilities Commission. Where appropriate delegation authority exists, "Commission" includes the member of the Staff of the Commission to whom the authority is delegated.

B. **Defective filing**. A "defective filing" is a filing which does not meet the formal or procedural requirements of this Rule or of another applicable rule.

C. **Effective date**. An "effective date" is the date on which a schedule actually takes legal effect.

D. **Filing**. A "filing" consists of the schedules and other materials accompanying a schedule submitted to the Commission. For example, a proposed schedule of rates, cover letter and revised table of contents would together be referred to as a "filing".

E. **General rate case**. A "general rate case" is any rate filing by a public utility, not specifically exempted in section 1(D)(3), which, upon taking effect, would increase the annual gross intrastate operating revenues of the public utility by more than two percent (2%), exclusive of sales for resale, fuel cost revenues, energy conservation adjustment revenues, or cost of gas adjustment revenues.

F. **Major utility**. A "major utility" is any public utility having annual intrastate operating revenues of over $5,000,000 in the twelve months immediately preceding a general rate case.

G. **Rate filing**. A "rate filing" is the act of filing by a public utility with the Commission pursuant to 35-A M.R.S.A. § 307 any schedule which directly affects the rates charged by the utility.

H. **Rates**. "Rates" are a public utility's charges to its customers for the provision of utility services.

I. **Schedule**. A "schedule" is one of the written sheets filed by a public utility with the Commission which show the utility's rates for different customer classes or categories of service, or the terms and conditions upon which utility service will be provided. For purposes of this Rule, the term "schedule" is equivalent to the word "tariff".

J. **Significant changes in rate design**. A "significant change in rate design" is any change in rate design that allocates the change in general rates among rate classes in substantially different percentages.

K. **Terms and conditions**. "Terms and conditions" are the provisions filed by a public utility with the Commission which show the basis on which various utility services will be provided to customers, or which in any manner affect the rates charged for any service. 35-A M.R.S.A. § 304 requires that public utility schedules which were formerly designated as "rules" shall be designated as "terms and conditions".

L. **Test year**. A "test year" is a 12-month period used by a utility to serve as a basis for comparison of revenues, expenses, and investment in order to determine revenue requirements in a general rate case. A test year may be a calendar year or any other period of twelve (12) consecutive months.

**3. FORM AND CONTENT OF SCHEDULES**

A. **Generally**.

1. All schedules of rates and terms and conditions submitted to the Commission pursuant to this Rule must be in typewritten form on 8 1/2" by 11" paper.

2. All filings must consist of an original and six (6) copies, except that major utilities, as defined in section 2(F), must file thirteen (13) copies of filings made in a general rate case.

B. **Cover letter required**. Each filing with the Commission must be accompanied by a cover letter which contains:

1. A statement describing the purpose and effect of the filing;

2. The anticipated revenue effects, if any, of the schedules;

3. Any significant change in rate design which is anticipated to result from the filing; and

4. A reference to the statutory section, rule, or Commission order under which the filing is made.

A cover letter accompanying any schedules filed in compliance with a Commission order must comply with the provisions of Section 4(B) of this Rule.

C. **Form of Schedules**.

1. **Generally.** Any set of schedules filed by a public utility with the Commission must contain the following:

a. **Table of Contents or Index.** A table of contents or index describing each section of the schedules in sufficient detail that a particular rate, policy, type of equipment, or other good or service can be readily located. This requirement does not apply to any set of schedules consisting of five (5) pages or less. A separate table of contents or index may be filed for schedule of rates and for terms and conditions sections. The table of contents or index should be updated and filed along with any proposed rate schedule or term and condition that affects the table or index.

b. **Change Symbols.** A system of symbols or markings showing all changes or revisions which are made to the schedule by the current filing. Change symbols must appear in the margin of the schedule opposite any proposed change or revision. A public utility must mark changes to its schedule with one or more of the following standard change symbols:

C Change in rate schedule or term or condition

D Discontinued rate or term or condition

I Increased rate

M Moved text (give page moved from); no change in rate or term or condition

N New rate or term or condition

R Reduced rate

T Change in text; no change in rate or term or condition

Additional symbols may be used as long as an explanation of the symbol is provided. The Administrative Director or Assistant Administrative Director may return or suspend any filing which lacks appropriate change symbols.

2. **Each page.** Each page must contain at a minimum:

a. **Identification of utility.** At the upper left-hand corner of the page, the utility's name.

b. **Signature.** At the lower right-hand corner of the page, the signature, or a facsimile thereof, of an officer or other representative of the public utility authorized to act on the utility's behalf.

c. **Effective date.** At the lower left-hand corner of the page, the proposed effective date of the schedule, followed below by a blank line for the actual effective date which will be filled in by the Commission. For revisions, the proposed effective date of the changes must be at least 30 days from the date on which the filing is received by the Commission, unless the filing is accompanied by a request that the schedule be given effect on less than 30 days statutory notice. Where a schedule is proposed to take effect on less than 30 days notice, the utility must show good cause for the request.

d. **Page number.** At the upper right-hand corner of the page, a page number which fits the page in sequence with other pages already on file. For instance, new pages between existing pages 34 and 35 would be numbered 34.1, 34.2 etc.

e. **Revision number.** At the upper right-hand corner of the page, below the page number, a revision number listing the most current version of the page. The first filing of a page must be listed as "Original," and each subsequent filing of the page must be labeled with the next higher revision number, replacing the existing effective page.

(i) **Amendments to Schedules Being Considered.** If a utility files an amendment or new or corrected draft of a pending schedule revision before the revision takes effect, the new draft must be labeled with the same revision number as the pending schedule. The designation "Draft" and a draft number must be added to the revision number, e.g., "Second Draft of Third Revision." The amendment or new or corrected draft must be accompanied by a cover letter which describes the purpose of the filing and identifies the docket number of the case in which the revision is being considered. Upon approval of a particular draft, the Commission will remove the draft designation from the schedule sheet. An amendment or new or corrected draft of a pending revision is not considered a new filing for purposes of the effective date provisions of this Rule, unless the Commission determines that the amendment or new or corrected draft should be considered a separate revision.

(ii) **Compliance Filings.** If the Commission disallows a revision and orders the filing of a revised schedule, the compliance filing must bear a new revision number, replacing the page which is currently in effect. For example, if the Commission disallows the Fifth Revision, Replacing Fourth Revision, the compliance schedule shall be designated Sixth Revision, Replacing Fourth Revision.

D. **Content of Schedules**. All schedules must contain, where applicable, the following information:

1. **Rates.** The rates charged by the public utility to its customers for any utility services, including:

a. Any minimum charges to customers for a utility service, and any additional charges for particular services;

b. Any rates associated with any special program, including a description of the program;

c. Any joint rates with other utilities pursuant to 35-A M.R.S.A. § 306;

d. Any other charge to customers for which the utility is required to file schedules; and

e. Any further information necessary to identify the utility's rates.

2. **Terms and Conditions.** The terms and conditions upon which utility services will be provided to customers, including:

a. The availability of service to different customer classes;

b. The character of the utility service to be provided, including any technical information necessary to differentiate such service from other utility services;

c. Any standards or conditions which must be met by customers in order to receive utility service, including copies of any specifications furnished to customers;

d. Where applicable, the utility's various service and rate areas;

e. The utility's terms and conditions for each of its demand side energy management programs as defined in Chapter 380 of the Commission's Rules (65-407 C.M.R. 380).

f. The utility's terms and conditions relating to line or service extensions, including contributions in aid of construction; and

g. Any further information necessary to identify the terms and conditions of utility service.

E. **Effective Date**. Unless the Commission orders otherwise, schedules become effective thirty (30) days after the date the Commission receives the schedules, pursuant to 35-A M.R.S.A. § 307, or on the proposed effective date, whichever is later. Any request by the utility that a schedule take effect on less than statutory notice must be included in the cover letter accompanying the schedule, and must state the reason why the Commission should find that good cause exists to allow the schedule to take effect on less than statutory notice. If the Commission does not allow the schedule to take effect on less that statutory notice, or if a schedule incorrectly bears no effective date or schedule, the Commission, its Administrative Director, or its Assistant Administrative Director may assign the schedule an effective date 30 days from the date the schedule was received by the Commission, or may return the schedule to the utility. If a schedule is suspended, and later allowed to take effect, its effective date is the date specified in the Commission order lifting the suspension, or, if the order does not specify a date, the date the order is issued.

F. **Refiling of Existing Schedules**. The Commission or its Administrative Director or Assistant Administrative Director may require a utility to revise and refile its schedules to comply with this Rule.

G. **Copy of Schedule to Utilities**. When a schedule takes effect, the Commission, its Administrative Director, or its Assistant Administrative Director will provide the utility with a copy of each sheet which contains the actual effective date of the schedule and the pertinent docket number.

H. **Conflict with Commission Order**. Any Commission order that prescribes a different content or method for filing a rate schedule or terms and conditions supersedes the provisions of this rule.

**4. FILING REQUIREMENTS FOR COMPLIANCE SCHEDULES**

A. **Applicability**. This section applies only to schedules filed by a utility in compliance with a Commission order. Schedules filed to comply with a Commission rule are not subject to this section and instead are subject to section 3 above, including suspension and effective date provisions, unless the rule or order adopting the rule provide otherwise.

B. **Cover letter**. Any compliance schedule must be accompanied by a cover letter explaining that the schedule is being filed in compliance with a Commission order, and giving the docket number of the Commission order.

C. **Effective date**. A utility filing a compliance schedule must not include a proposed effective date. The effective date of a compliance schedule is the date of the supplemental Commission order approving the compliance schedule, or other date as ordered by the Commission.

D. **Format**. The form of compliance filings must otherwise be in accordance with Section 3 of this Rule except to the extent that the Commission order which requires the filing specifies otherwise.

**5. CONTENT OF GENERAL RATE CASES**

A. **Generally**. Every public utility filing a general rate case must provide the information specified in this section. Information previously filed with Commission may be incorporated in the filing by reference.

B. **Order and Numbering**. All information required to be filed for a general rate case must be organized and numbered as described in this Section.

C. **Particular Contents of Each Filing**. Every general rate case must contain the following:

1. **Cover sheet.** A cover sheet showing:

a. The name of the public utility;

b. The proposed effective date of the new rates;

c. The adjusted gross revenue subject to Commission jurisdiction for the test year;

d. The amount of the increase or decrease in gross revenues subject to Commission jurisdiction; and

e. The percent change in gross revenues subject to Commission jurisdiction.

2. **Schedules.** The schedule pages implementing the new rates, which must be in accordance with Section 3 of this Rule.

3. **Test year.**

a. A statement of the test year to be used;

b. An annual report for the test year, or the equivalent compilation in the same form and detail if the test year is a period other than a calendar year;

c. Expenses, revenues, and rate base during the test year, itemized by account number or functional grouping;

d. Uncollectible revenues for the test year, including bad debt expense, gross write-offs, and recoveries of prior write-offs;

e. Number of units of service billed for each rate element of service; and

f. For telecommunications utilities:

(1) Local Service revenues for the test year;

(2) Inter-LATA and intra-LATA toll service revenues for the test year; and

(3) Miscellaneous revenues for the test year.

4. **Adjustments to Test Year**.

a. Proposed adjustments to test year expenses, revenues, and rate base; and

b. Statements, exhibits, or work papers showing the basis for each adjustment.

5. **Regulatory Proceeding Expenses.** For those utilities seeking recovery of regulatory proceeding expenses, a detailed description and accounting of those expenses, including identification of the proceeding(s), hours spent and fees charged pursuant to Chapter 850 of the Commission's Rules and Regulations (65-407 C.M.R. 850).

6. **Comparative Revenue Statement.** A Comparative revenue statement showing operating results for the test year and for the test year as adjusted.

7. **Computation of Rate of Return.**

a. **Rate of Return.**

(i) An exhibit showing the proposed rate of return and the capitalization ratios for each component of the capital structure; and

(ii) An exhibit showing the computation of the return requested on rate base.

b. **Proposed Revenue Requirements.** An exhibit showing the computation of the total proposed revenue requirements of the public utility.

8. **Attrition and Elasticity Adjustments**.

a. Any adjustment proposed by the utility to compensate for attrition or erosion of earnings, and exhibits showing the basis for the adjustment.

b. Any adjustments proposed by the public utility to compensate for the effects of elasticity of demand, and exhibits showing the basis for the adjustment.

9. **Rate Design Changes.**

a. A description of any significant changes in rate design, and exhibits showing the basis for the changes.

b. An exhibit showing the effect of the proposed rate changes on the various classes of customers and categories of service provided by the public utility, including:

(1) the total annual revenue change for each class of customers and category of service, expressed in dollars and as a percentage; and

(2) the change in typical bills for each class and category, expended in dollars and as a percentage.

10. **Policy statement.** A concise statement of any positions, proposals, and adjustments to be offered in support of the rate filing which are known or believed by the public utility to be:

a. Contrary to the established policy of the Commission;

b. Matters as to which various decisions of the Commission are in conflict; or

c. Matters not previously resolved by Commission decisions.

11. **Significant Changes in Operations.** A brief description of any significant changes in the operations of the public utility since the time of its last general rate case.

12. **Notice to Customers.** Copies of any notices sent or to be sent to the customers of the public utility in connection with the proposed general rate case pursuant to Chapter 110(6)(B)(1)(b) of the Commission's Rules (65-407 C.M.R. 110(6)(B)(1)(b)), with a description of the classes or groups of customers receiving each notice.

13. **Additional Contents Required by Prior Orders.** Any information which the Commission has specifically ordered a particular public utility to provide for use in its next general rate case.

D. **Basis for Omissions**. If the public utility submitting the general rate case contends that any of the information required by this section is not applicable, the public utility must state the basis for that contention. Failure to supply an adequate basis for any omission shall cause the filing to be treated as a defective filing.

**6. MAJOR UTILITIES: NOTIFICATION AND FILING OF DIRECT CASE**

A. **Applicability**. This section applies only to major utilities as defined in section 2(F).

B. **Notification Required**. A major utility shall notify the Commission at least two months prior to filing a general rate case. The notification must be in writing and contain the following information:

1. That the general rate case is planned;

2. The anticipated date of filing;

3. The approximate annual revenue change that would result;

4. Any major issues anticipated to arise in conjunction with the general rate case;

5. Any significant change in rate design to be proposed in conjunction with the general rate case; and

6. The approximate rate of return on rate base, as a whole and on common equity, that the utility will propose in conjunction with the general rate case.

C. **Filing of Direct Case**. Any major utility must include in any general rate case all testimony and exhibits which it would offer at a public hearing as its direct case in support of its proposed rates. Testimony and Commission's Rules of Practice and Procedure (65-407 C.M.R. 110(6)(I). The information specified in Section 4 of this Rule may be made part of such testimony and exhibits.

**7. REQUIREMENTS FOR CONSUMER-OWNED WATER UTILITY RATE FILINGS UNDER 35-A M.R.S.A. § 6104**

A. **General Provisions**

1. **Purpose.** The purpose of this section is to describe the requirements for the form, content, and notice of consumer-owned water utility rate filings pursuant to 35-A M.R.S.A. § 6104. Nothing in this section prohibits a consumer-owned water utility from filing a general rate case rather than using the procedure set forth in this section

2. **Applicability.** This section is applicable to consumer-owned water utilities as defined in 35-A M.R.S.A. § 6101(1-A).

3. **Default Provision.** Whenever a filing under this section fails to comply with the requirements of 35-A M.R.S.A. § 6104 or this section, it may be suspended for investigation. If the filing is so suspended, or is suspended upon a petition from utility customers, the filing may become a general rate case subject to the requirements of Section 5 of this Rule and the notice requirements of Chapter 110, Section 6(B)(1)(b) and (c) of the Commission's Rules (65-407 C.M.R. 110 (6)(B)(1)(b) and (c), unless these provisions are waived upon a showing of a good cause.

4. **Compliance with Fire Protection Revenue Determination Procedure.** All consumer-owned water utility rate filings under this section must comply with the Commission's public fire protection revenue determination procedure as set forth in Chapter 690 of the Commission's Rules (65-407 C.M.R. 690) unless the utility has received a waiver from the rule's requirements. If the filing fails to comply with Chapter 690, the Commission will not allow the proposed rates to take effect unless they are substantiated by an acceptable allocation study for the utility's system. If the rates are already suspended as provided in section 7(A)(3), the issue will be addressed in that rate proceeding. If the rates are not otherwise suspended, and the water utility wishes to pursue its original filing, the rates will be suspended pending review.

B. **Procedure**

1. **Notice.** A consumer-owned water utility filing rates under this section must provide the notices described below.

a. **Newspaper Publication.** At least fourteen (14) days before holding a public hearing on the rate filing, the utility must publish a notice of the rate filing in a newspaper of general circulation in the area served by the utility.

b. **Individual Notice.** At least fourteen (14) days before the public hearing, the utility must furnish individual notices of the rate filing to each of its customers by the same means it uses to distribute its customer bills.

c. **Notice to Commission.** The utility must furnish the Commission with copies of the published notice and of the notice sent to customers at least fourteen (14) days before the public hearing.

d. **Content of Notice.** Each notice must contain:

(i) the amount of the rate change;

(ii) the percentage rate change for each customer class;

(iii) the customer's right to request information relating to the present and proposed rates;

(iv) the customer's right to an open and fair hearing and to further hearings before the Commission;

(v) the availability of assistance from the Public Advocate; and

(vi) the date, time, place and purpose of the public hearing.

2. **Supporting Materials.**

a. At least thirty (30) days before the public hearing on the rate filing, the utility must file a copy of all relevant materials supporting the rate filing with the Commission and the Public Advocate. The materials must include:

(i) the proposed annual revenue change;

(ii) the proposed new rate sheets; and

(iii) any calculations, exhibits, statements, or work papers showing that the proposed rate filing will produce the necessary revenues.

b. The utility must make a copy of all relevant material supporting the rate filing available for examination by customers at its offices for at least thirty (30) days prior to the hearing.

c. The utility must promptly provide, upon request by a customer, the Commission, or the Public Advocate, any information or relevant additional material which is readily available.

3. **Public Hearing.** A consumer-owned water utility filing rates under this section must hold a public hearing prior to filing the proposed rates with the Commission.

a. **Purpose of Hearing.** At the public hearing, the Public Advocate and any customer may testify, and may question the officials of the utility regarding the proposed rate filing. The utility must answer questions, provide supporting materials for inspection, and accept statements.

b. **Information Required.** At the commencement of the hearing, the utility must inform those present that the rate filing may be investigated by the Commission in accordance with 35-A M.R.S.A. § 6104.

c. **Summary required.** The utility must submit a summary of the public hearing to the Commission when filing its proposed rates. The summary must include:

(i) a copy of the newspaper notice as published, showing the date of publication; and

(ii) a summary of the comments received at the public hearing and the utility's responses to the issues raised by the comments. If the utility changes the proposed rate filing in response to customer comments, the summary must include an explanation of any such changes.

4. **Filing.**

a. **Time for Filing.** The utility must submit its rate filing to the Commission not sooner than 10 days, and not later than 30 days, after the public hearing.

b. **Form.** Except as otherwise specified in this section, the form and content of all schedules filed under this section must comply with Section 3 of this Rule.

c. **Proposed Effective Date.** A consumer-owned water utility submitting a rate filing under this section must include a proposed effective date. The proposed effective date must be a least one month, but no more than nine (9) months, from the date on which the Commission receives the filing.

5. **Correction.** The Commission, Administrative Director or Assistance Administrative Director may order the utility to correct any mathematical or clerical errors in the filing.

6. **Petition for Investigation.**

a. **Time for Petition.** Any petition for Commission investigation of a consumer-owned water utility rate filing under this section must be filed within thirty (30) days of the public hearing.

b. **Number of petitioners.** Any petition for Commission investigation of a consumer-owned water utility rate filing under this section must be signed by either fifteen percent (15%) of the utility's customers or by on thousand (1000) customers, whichever is less. For purposes of this section, "customer" means, in the case of residential accounts, any one adult residing in a household where the utility's service is provided, and in the case of non-residential accounts, any one corporate officer, partner, or proprietor. No one person may sign a petition under this section on behalf of more than one account, unless that person receives service at the account.

c. **Filing.** Any petition under this section must be filed both with the Commission and with the treasurer of the consumer-owned water utility proposing the rate filing.

d. **Suspension.** Upon receiving a petition for investigation of a consumer-owned water utility rate filing, the Commission may suspend the filing. The Commission must notify the consumer-owned water utility of the suspension.

e. **Challenge by Utility.**

(i) **Deadline.** A consumer-owned water utility must notify the Commission within ten (10) days of receiving notice of the suspension if it intends to challenge any aspect of the validity of a petition.

(ii) **Hearing.** Within thirty (30) days of a utility's notice that it intends to challenge the validity of a petition, the Commission must hold a public hearing on the validity of the petition and issue a decision on the validity of the petition.

(iii) **Relief from Suspension.** If the Commission finds a petition to be invalid, it must lift the suspension of the rate filing. If a suspension is lifted under this section, the rates shall take effect on the original effective date, unless the Commission orders a different effective date.

**8. REQUIREMENTS FOR CONSUMER-OWNED ELECTRIC UTILITY RATE FILINGS UNDER 35-A M.R.S.A. § 3502**

A. **General Provisions**.

1. **Purpose.** The purpose of this section is to describe the requirements for the form, content, and notice of consumer-owned electric utility rate filings pursuant to 35-A M.R.S.A. § 3502. Nothing in this section prohibits a consumer-owned electric utility from filing a general rate case rather than using the procedure set forth in this section.

2. **Applicability.** This section is applicable to consumer-owned electric utilities, as defined in 35-A M.R.S.A. § 3501, which propose to change rates by not more than 15% of the utility's annual operating revenues. This section does not apply to any fuel cost adjustment.

3. **Default Provision.** Whenever a filing under this section fails to comply with the requirements of 35-A M.R.S.A. § 3502 or this section, it may be suspended for investigation. If the filing is so suspended, or is suspended upon a petition from utility customers, the filing may become a general rate case subject to the requirements of section 5 of this Rule and the notice requirements of Chapter 110, sections 6(B)(1)(b) and (c) of the Commission's Rules (65-407 C.M.R. 110 (6)(B)(1)(b) and (c), unless these provisions are waived upon a showing of good cause.

4. **Frequency of Filings.** No consumer-owned electric utility may initiate a rate filing under this section which would increase its annual operating revenues by more than one percent (1%) within one year of the date it notified its customers of its most recent previous rate filing under this section.

5. **Penalty for Non-Compliance.** If the Commission finds that a consumer-owned electric utility's rate filing under this section substantially violates the procedural requirements set forth in this section, the Commission may prohibit the utility from filing rates pursuant to this section in its next rate case.

B. **Procedure**.

1. **Notice.** A consumer-owned electric utility filing rates under this section must provide the notices described below.

a. **Notice to Commission and Public Advocate**.

(i) At least sixty (60) days before holding a public hearing on the rate filing, the utility must notify the Commission and the Public Advocate of its intent to submit the rate filing.

(ii) At least thirty (30) days before the public hearing on the rate filing, the utility must file a copy of all relevant materials supporting the rate filing with the Commission and the Public Advocate. The materials must include:

(a) the proposed annual revenue change;

(b) the proposed new rate sheets; and

(c) any calculations, exhibits, statements, or work papers showing that the proposed rate filing will produce the necessary revenues.

b. **Newspaper Publication**.

(i) A consumer-owned electric utility filing rates under this section must publish a notice of the public hearing on the rate filing.

(ii) The notice must be published twice, in a newspaper of general circulation in the area served by the utility.

(iii) The second notice must be published at least thirty (30) days before the date of the public hearing.

(iv) The newspaper notice must contain:

(a) the amount of the rate change;

(b) the percentage rate change for each customer class; and

(c) the date, time, place, and purpose of the hearing.

c. **Individual Notices**.

(i) A consumer-owned electric utility filing rates under this section must furnish individual notices of the rate filing to each of its customers by the same means it uses to distribute its customer bills.

(ii) Individual notices of the rate filing must be furnished to customers at least thirty (30) days before the public hearing.

(iii) The Individual notices must contain:

(a) the amount of the proposed rate change;

(b) the percentage rate change for each customer class;

(c) the customer's right to request information relating to the present and proposed rates;

(d) the customer's right to an open and fair hearing and to further hearings before the Commission;

(e) the availability of assistance from the Public Advocate, and

(f) the date, time, and place of the hearing.

(iv) The utility must make a copy of all relevant material supporting the rate filing available for examination by customers at its offices for at least thirty (30) days prior to the hearing.

2. **Public Hearing.** A consumer-owned electric utility filing rates under this section must hold a public hearing prior to filing the proposed rates with the Commission.

a. **Purpose of Hearing.** At the public hearing, the Public Advocate and any customer of the consumer-owned electric utility may present testimony, and may question the officials of the utility regarding the proposed rate filing.

b. **Customer Rights.** At the commencement of the hearing, the utility must inform those present:

(i) of customers' right to request information relating to the present and proposed rates;

(ii) of customers' right to an open and fair hearing, and to further hearings before the Commission;

(iii) of the availability of assistance from the Public Advocate; and

(iv) that the rate filing may be investigated by the Commission in accordance with 35-A M.R.S.A. § 3502.

At the public hearing, the utility must answer questions, provide supporting materials for inspection, and accept statements. The Public Advocate may participate in the hearing.

c. **Summary Required.** The utility must submit a written summary of the public hearing to the Commission when filing its proposed rates. The summary must include:

(i) copies of the newspaper notices as published, showing the date of publication;

(ii) a copy of the individual notice sent to customers;

(iii) the substance of the questions, answers, and statements presented at the hearing;

(iv) the means of those actively participating in the hearing; and

(v) the approximate number of persons attending the hearing.

If the utility changes the proposed rate filing in response to comments at the public hearing, the summary must include an explanation of any such changes.

3. **Filing**.

a. **Time for Filing.** The utility must submit its rate filing not sooner than 10 days, and not later than 30 days, after the public hearing.

b. **Form and Content.** Except as otherwise specified in this section, the form and content of all schedules filed under this section must comply with Section 3 of this Rule.

c. **Proposed Effective Date.** A consumer-owned electric utility submitting a rate filing under this section must include a proposed effective date. The proposed effective date must be at least one month, but no more than nine (9) months, from the date on which the Commission receives the filing.

4. **Correction.** The Commission, Administrative Director or Assistant Administrative Director may order the utility to correct any mathematical or clerical errors in the filing.

5. **Petition for Investigation.**

a. **Time for Petition.** Any petition for Commission investigation of a consumer-owned electric utility rate filing under this section must be filed within thirty (30) days of the public hearing.

b. **Number of Petitioners.** Any petition for Commission investigation of a consumer-owned electric utility rate filing under this section must be signed by either ten percent (10%) of the utility's customers or seven hundred fifty (750) customers, whichever is less. For purposes of this section, "customer" means, in the case of residential accounts, any one adult residing in a household where the utility's electric service is provided, and in the case of all other accounts where the utility's electric service is provided, any one corporate officer, partner, or proprietor. No one person may sign a petition under this section on behalf of more than one account, unless that person receives service at the account.

c. **Filing.** Any petition under this section must be filed both with the Commission and with the consumer-owned electric utility proposing the rate filing.

d. **Suspension.** Upon receiving a petition for investigation of a consumer-owned electric utility rate filing, the Commission may suspend the filing. The Commission must notify the utility of the suspension. No suspension under this section is effective for more than nine (9) months from the date the rate filing was submitted.

e. **Challenge by Utility.**

(i) **Deadline.** A consumer-owned electric utility must notify the Commission within ten (10) days of receiving notice of the suspension if it intends to challenge any aspect of the validity of the petition.

(ii) **Hearing.** Within thirty (30) days of a utility's notice that it intends to challenge the validity of a petition, the Commission must hold a public hearing on the validity of the petition and issue a decision on the validity of the petition.

(iii) **Relief from Suspension.** If the Commission finds a petition to be invalid, it must lift the suspension of the rate filing. If a suspension is lifted under this section, the rates shall take effect on the original effective date, unless the Commission orders a different effective date.

**9. WAIVER**

Where good cause exists, the Commission , its Administrative Director, its Assistant Administrative Director, or the Hearing Examiner assigned to the proceeding may waive any requirement of this Rule.

**10. EFFECT OF FAILURE TO COMPLY**

A. **Defective Filing**. Any filing, including a notification of intent to file a general rate case, which is not in compliance with the requirements of this Rule or is not accompanied by the information required by this Rule is a defective filing. Within fifteen (15) days after receiving a defective filing, the Administrative Director or the Assistant Administrative Director must notify the public utility of the defect or defects and whether the filing is nevertheless in substantial compliance with the requirements of this Rule.

B. **Filing Date**.

1. The filing date of a filing which is in compliance with this Rule is the date the filing is received by the Commission.

2. The filing date of a defective filing which the Administrative Director or Assistant Administrative Director determines to be in substantial compliance with this Rule is the date the filing was originally received by the Commission, if the public utility cures the defects within fifteen (15) days of the notification.

3. The filing date of any other defective filing is the date the last document is received by the Commission which removes the defect or makes the filing complete.

C. **Further Review of Sufficiency**. A determination by the Commission, the Administrative Director, or the Assistant Administrative Director that a filing is in compliance with the requirements of this Rule shall not prevent the Commission from subsequently finding, on its own motion or the motion of any party, that the filing is defective or in need of revision.

**11. DELEGATION OF AUTHORITY**

The Commission delegates authority to its Administrative Director or Assistant Administrative Director:

A. **Review**. To review filings under this Rule, to determine whether or not any filing is in compliance with the requirements of this Rule, and to notify the public utility of the deficiency or substantial compliance of the filing pursuant to Section 10 of this Rule; and

B. **Suspension**. To issue suspension orders pursuant to the Commission's power to suspend under 35-A M.R.S.A. § 310(2).

C. **Waiver**. To waive, for good cause, any of the requirements of this Rule.

STATUTORY AUTHORITY: 35-A M.R.S.A. §§ 101, 103, 104, 107, 111, 112, 301, 304-311, 1301, 1304-1306, 1321, 1702, 1708, 3502, and 6104.

EFFECTIVE DATE: This rule was approved by the Secretary of State on **February 16, 1989** and became effective on **March 1, 1989**.

EFFECTIVE DATE (ELECTRONIC CONVERSION):

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