

## DRAFT

STATE OF MAINE

MAINE PUBLIC UTILITIES COMMISSION

Docket No. 2015-

June 8, 2015

PORTLAND WATER DISTRICT

Request for exemptions from regulation

PETITION FOR EXEMPTIONS

SUBMITTED BY PORTLAND WATER  
DISTRICT PURSUANT TO TITLE 35-A  
M.R.S.A. §6114 AND CHAPTER 615 OF  
PUC RULE

Pursuant to Title 35-A M.R.S.A. §6114 and Chapter 615 of the Rules of the Public Utilities Commission, The Portland Water District (hereinafter “District”) hereby requests exemption from certain statutory provisions and certain rules of the Public Utilities Commission, as further detailed in this petition.

### **BACKGROUND**

#### **Mission Statement**

The District’s mission is to protect public health, safety, and the environment by providing our customers with reliable and affordable water, wastewater and related services

#### **Introduction**

The District is a quasi-municipal utility authorized by state charter to provide water service to eleven Greater Portland communities and wastewater treatment and interception services to six of those communities. Water service is provided to 51,800 customers. Sebago Lake provides virtually all the water delivered. A network of 1,000 miles of water mains delivers water from Sebago Lake to customers. The system provides fire protection through 5,000 fire hydrants and 2,000 sprinkler systems. The District provides additional wastewater-related services through contracts with the communities. Additional services include sewer billing and collector/storm drain system operations.

#### **History**

In 1862, a group of citizens foresaw the necessity of improving the Greater Portland water supply to support continued growth. This group formed the Portland Water Company. In 1869, the first water service was turned on in Portland on Thanksgiving Day.

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In 1908, the Portland Water District bought the Portland Water Company along with the Standish Water and Construction Company and began serving water to Portland and South Portland. The District later acquired the Gorham Water Company and the Falmouth Water Company. In the years that followed, Cumberland, Falmouth, Westbrook, Cape Elizabeth, Scarborough, Gorham, and the islands of Casco Bay also began receiving public water from the District.

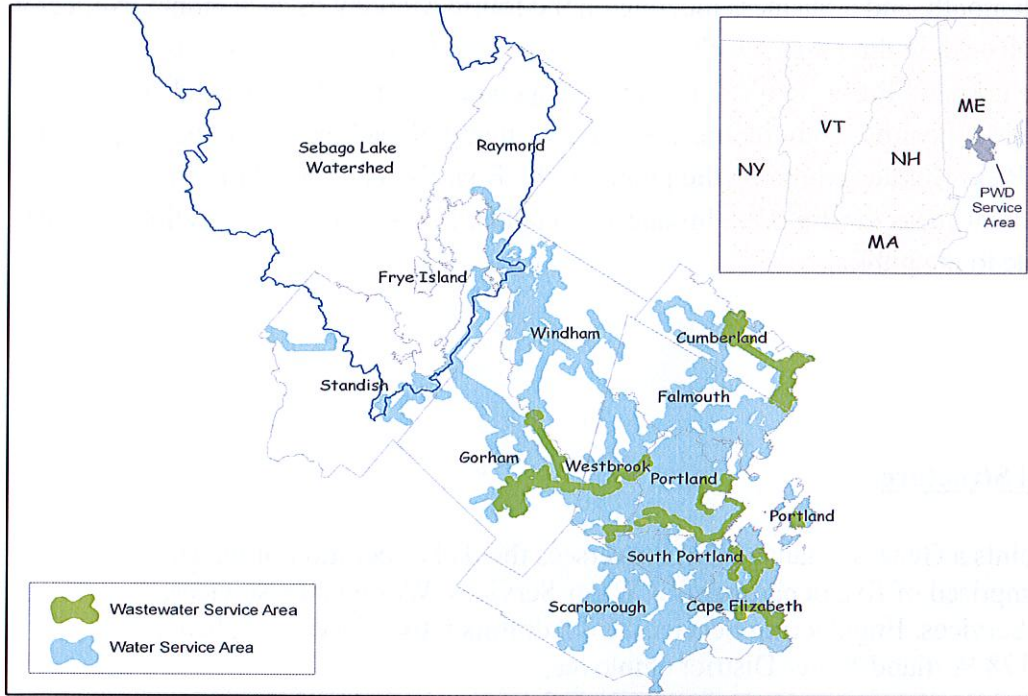
During the next 45 years, growth in the Portland area required several upgrades of the Portland Water District's system. In the 1960s, the District offered to handle and treat wastewater. Since then, we have constructed treatment plants in Portland (1979), Westbrook (1978), Little Falls (1987), Cape Elizabeth (1987), and Peaks Island (1993). We also now provide wastewater maintenance and operating services to the Town of Cumberland and accept septage from several Sebago Lake Region communities.

In 1994, the District built an ozonation facility for the detection of new contaminants and pathogens (which did not exist or were unidentified years ago).

In 2001 the Town of Raymond became the tenth member of the District; water service in the Town began in 2002.

A focus on aging water mains began in 2011 with the Board committing to double the main renewal budget by 2016. In 2014, the Board established a capital reserve fund that will provide an additional \$2 million available for main renewal. A \$6.5 million investment in water main replacement is budgeted for 2015. Also, new regulation required a second water treatment process be installed. An ultraviolet treatment process was implemented in 2014 with the full operating budget impacting 2015.

**Service Territory**



**Board of Trustees**

The affairs of the District are managed by a Board of Trustees composed of 11 members, 4 of whom are elected by a plurality of the voters of the City of Portland, 2 by a plurality of the voters of the City of South Portland and the Town of Cape Elizabeth, one by a plurality of the voters of the City of Westbrook, one by a plurality of the voters of the Town of Gorham, one by a plurality of the voters of the Town of Raymond and the Town of Windham, one by a plurality of the voters of the Town of Scarborough and one by a plurality of the voters of the Town of Falmouth and the Town of Cumberland. Trustees are elected for a term of 5 years at elections. Trustees are elected at November municipal elections, with the exception of Falmouth/Cumberland, which elect its trustee in June municipal elections. Trustees of the District and their years of service are as follows:

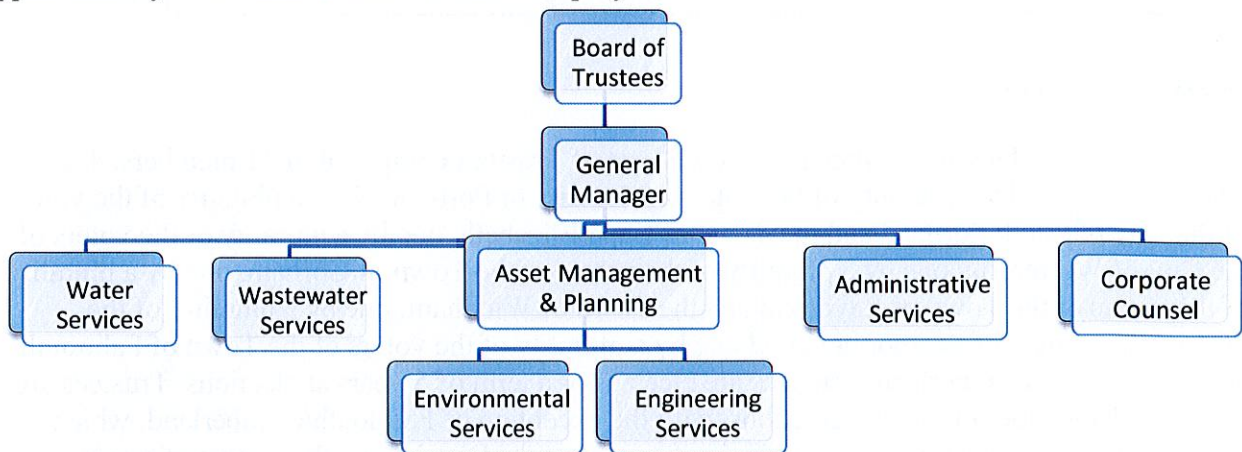
<b>Name</b>	<b>Municipality Represented</b>	<b>Years of Service</b>
John E. Brady	South Portland/Cape Elizabeth	11
Bradford S. Cleaves	Portland	4
Guy Cote, Jr.	Westbrook	6
Louise Douglas	Windham/Raymond	8
Duane Dreger	Gorham	3
Seth Garrison	Scarborough	2
Kenneth Levinsky	Portland	6
Gary W. Libby	Portland	21
William M. Lunt III	Cumberland/Falmouth	19
Wayne Ross	South Portland/Cape Elizabeth	6
Nisha Swinton	Portland	2

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The Board of Trustees meets in public session twice a month; in workshop on the second Monday of each month, and a business meeting on the fourth Monday of each month. Notices of meeting are published on the District website (PWD.org) and notice of the business meeting is published in the Portland Press Herald. The meeting agenda is sent to the town and city managers of District member communities. At the beginning of each year, A notice is published in the Portland Press Herald reminding the public of the Board's schedule of meetings for the year. In addition, business meetings are broadcast on public access cable TV. Meeting minutes are also available to the public.

### Organizational Structure

The Board appoints a General Manager, who oversees the daily operation of the District. Operation is comprised of five departments – Water Services, Wastewater Services, Environmental Services, Engineering Services and Administrative Services. There are approximately 178 Portland Water District employees.



- Water Services provides water treatment and distribution system operation and maintenance.
- Wastewater Services provides wastewater treatment and interception/collector system operation and maintenance services.
- Environmental Services provides watershed protection and laboratory services.
- Engineering Services provides general engineering, facilities and vehicles maintenance services.
- Administrative Services provides customer, computer, finance and general management services.

**Process of Reviewing and Applying for Exemptions**

Staff of the District began studying 35-A M.R.S.A. §6114 as soon as it was passed, and discussion began internally as to which exemptions it would be appropriate for the District to seek. Staff continued detailed discussions in February, 2015, and held a public Workshop with the Board of Trustees on March 9, 2015. Public notice, with an agenda noting the discussion was posted for the public at the District's offices and on its website. After the Board Workshop, work continued internally on the District's petition. Notice of public hearing on the District's request for exemptions from regulation was sent to the District's customers and the Public Advocate on April 24, 2015. Notice was also published in the Portland Press Herald on that date. A public hearing was held on the District's exemptions requests on May 11, 2015 at 6:00 at the District's offices as 225 Douglass Street, Portland.

**Standards for the Granting of Exemptions and Justification Applicable to All Exemptions Requested**

Pursuant to Chapter 615 of the PUC rules, the District must provide information to the Commission such that it may find that the granting of exemptions is: in the public interest, will not result in unjust or unreasonable rates, will not have a negative impact on the provision of safe, adequate and reliable service, and that the District has the adequate technical, financial and administrative capacity to perform the waived function or requirement.

The extensive documentary information supplied by the District to the Commission with this petition speaks for itself, and clearly demonstrates that the District has met its burden of proof required by the Rule, and that the requests for exemption are justified.

In addition, as justification for the granting of the requested exemptions, The District states that it is a public body, governed by an elected Board of Trustees who is familiar with the local needs of its service territory and its customers. As such, they are in a better position to make decisions on local matters than a governmental agency located in Augusta. Customers may participate in monthly public meetings, and have further recourse to the ballot box if they are dissatisfied with Trustee decisions. Local officials have more accountability to the service territory and its customers than does a State body.

The District is similar to a municipality in its accountability and operations. Pursuant to the Maine Constitution, Article 9§8, a municipality is charged with assessing taxes equally and according to just value; it does not have an administrative agency reviewing and approving its decision setting the tax rate. Municipalities and standard sewer districts establish sewer assessments; these assessments are not the subject of approval by an administrative agency. In both of these cases, assessments are made after a public notice and public hearing. The Board of Trustees of the District is capable of setting rates and establishing fees in the same manner as a special district or a city/town council. The public process including notice and public hearing provides ample protection to its customers and affords the customers the same rights afforded the public when property taxes and sewer fees are assessed.

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As the largest water utility in the State, the District is a well- managed company, with the technical, financial and administrative capability necessary to govern itself, as shown by the attachments to this petition. The District has a professional staff of approximately 178 full time employees: Over 70 of these employees are licensed water and wastewater operators. Other professional staff includes 10 engineers and 15 environmental scientists, as well as accountants and IT instrumentation specialists. This expertise outweighs the expertise in the water area that can be provided by the staff of the Commission and by any other water utility in the State.

The water rates charged by the District are just and reasonable. The rates are 18% below the national average and 14% below the average in the State of Maine. In recent years, the District has undertaken small annual increases in order to provide stability to rates for its customers, while increasing its investment replacing its aging infrastructure. This method of annual small increases has yielded a steady stream of revenue to the District that has allowed it to invest in its infrastructure and meet its expenses, while making the incremental increases manageable to its customers. Should exemptions be granted, this philosophy of rate increases is expected to continue.

The staff of the District prepares an annual budget and a five year capital improvement plan (CIP) under the budget guidelines and parameters establish by the Board of Trustees. The Board of Trustees reviews and adopts the budget and CIP in public meetings. The District has consistently won annual awards from the Government Finance Officers Association for the quality and transparency of its budgeting and financial reporting.

The District has a long history of providing quality water to its service territory; this exemplary service would continue should it be granted the exemptions it seeks. The District has consistently met, and will continue to meet, all water quality standards established by the Maine Drinking Water Program. Its staff of environmental professionals provides the expertise needed to continue this exemplary service.

The requests for exemption from individual statutes and Commission rules, along with the additional justification for the requests, are found on the following pages (see index on following page for specific page references).

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Index to Exemption Requests

<b>Statutes</b>	<b>Commission Rules</b>	<b>Pages</b>
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n/a	62 and 65	32-36

**Pursuant to Chapter 615 of the Rules of the Public Utilities Commission, The Portland Water District Request exemption from the following specific statutory requirements and PUC rules:**

**B. 1. Identification of statutory requirements for which an exemption is sought.**

**Request for Exemption from 35-A M. R. S. A. §301(4), Safe facilities; just and reasonable rates, and the following PUC Chapters:**

- **69, Determination of Fire Protections Revenues for Water Utilities;**
- **870, Late Payment Charges, Interest Paid on Customer Deposits, and Charges for Returned Checks; and**

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

**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 [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. [1993, c. 506, §1 (AMD).]

**Exemption is Requested Based on the Following:**

The Portland Water District believes that its popularly elected Trustees are most familiar with the District's needs and can be more responsive to customer concerns, while balancing the District's needs to expand and maintain its infrastructure. Therefore, the Board of Trustees should perform the functions presently performed by the Commission pursuant to this section of the statute. Further, the District notes that since 2007, the District's rate petitions have been uncontested and routinely approved by the Commission under section 6104 of the statute, showing that the District is capable of managing its rates.

The District will continue to provide safe, reasonable, and adequate facilities, and to charge just and reasonable rates, in compliance with Section 301 of the statute. It seeks to be exempt only from Commission review of determining its rates.

The District intends to continue ratemaking in the same manner as it currently establishes its rates, with the exception that it will not seek Commission approval. Annual budgets will continue to be made through a public process. Notice of proposed rate changes will continue to be provided to the public and to the Public Advocate, with notices mailed to customers and the Public Advocate, as well as notices published in the newspaper and on the District's website. A public hearing will continue to be held on any rate change. The only proposed difference in the rate making process is that rates will not be forwarded to the Commission for review. The Board



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of Trustees will adopt a policy formalizing this rate making process which will be subject to public notice and review.

With respect to late payment charges, interest on deposits and charges for returned checks, the District proposes to use the interest rate established by the state tax assessor for delinquent taxes as the rate for delinquent customer accounts. Other late charges and fees will be as established by the Board of Trustees; initially the fees will remain as provided in Chapter 870. Changes to those fees would only occur after public notice and public hearing. This process is similar to the process used by a municipality when enacting fees and charges related to its operations.

With respect to Chapters 69 Determination of Fire Protections Revenues for Water Utilities and 870 Late Payment Charges, Interest Paid on Customer Deposits, and Charges for Returned Checks. The District submits that financial functions related to ratemaking and its business operations are best left to the governance of its Board of Trustees for all of the reasons already cited in this petition.

Fire protection fees and revenue are determined by a cost of service study presently prescribed by Chapter 69 of the Rules of the Public Utilities Commission. The District will continue to utilize the cost of service method for the establishment of these fees and revenue.

**Request for Exemption from 35-A M. R. S. A. §304, Filing of schedule of rates, terms and conditions, and PUC Chapter 870-Late Payment Charges, Interest Paid on Customer Deposits, and Charges for Returned Checks**

**§304. Filing of schedules of rates, terms and conditions**

Every public utility shall file with the commission, within a time to be fixed by the commission, schedules which shall be open to public inspection. The schedules shall show all rates, tolls and charges which the utility has established and which are in force at the time for any service performed by it within the State, or for any service in connection with or performed by any public utility controlled or operated by it or in conjunction with it. Every public utility shall file with and as part of its schedules all terms and conditions that in any manner affect the rates charged or to be charged for any service. [1987, c. 141, Pt. A, §6 (NEW).]

Public utility schedules which were formerly designated as rules shall be designated as terms and conditions. All such schedules to be filed with the commission shall be designated as terms and conditions. [1987, c. 141, Pt. A, §6 (NEW).]

**SECTION HISTORY**

1987, c. 141, §A6 (NEW).

**Exemption is Requested Based on the Following:**

In support of this request for exemption, the District cites the arguments made in support of exemption for section 301(4) of the statute.

In addition, the District proposes that it will continue to file schedules of rates, and terms and conditions of service with its Board of Trustees and at its corporate offices at 225 Douglas Street, as well as on the District's website. All material noted in the statute will be easily accessible by the public and the Commission.

**Request for Exemption from 35-A M. R. S. A. §307, Changes in schedules; notice, and PUC Chapters:**

- **69, Determination of Fire Protection Revenues for Water Utilities; and,**
- **140, Utility Service Area and Infrastructure Maps**

**§307. Changes in schedules; notice**

No change may be made in any schedule, including schedules of joint rates, except upon 30 days' notice to the commission, and all such changes must be plainly indicated upon existing schedules by filing new schedules in lieu of them 30 days prior to the time they are to take effect. The commission may, for good cause shown, allow changes upon less than the notice specified or modify the requirements of this section and section 308 in respect to publishing, posting and filing of schedules, either in particular instances or by rule applicable to special or peculiar circumstances or conditions. [1995, c. 254, §1 (AMD).]

Without the approval of the commission, no utility may file a schedule or schedules for a general increase in rates pursuant to this section within one year of a prior filing for a general increase in rates pursuant to this section, unless the proceeding initiated by a prior filing was terminated without a final determination of the utility's revenue requirement. This requirement does not prevent any utility, at any time, from notifying the commission in advance, either voluntarily or in accordance with a commission requirement under this section, of its plans to file a general increase in rates. Nothing in this section may be construed to limit any utility's right, at any time, to petition pursuant to section 1322 for temporary rate relief. For the purpose of this paragraph, a "final determination of the utility's revenue requirement" means a decision on the merits of the utility's request after consideration of at least the utility's direct case in support of its request. The commission shall decide whether a final determination has been made in any specific case. [1987, c. 141, Pt. A, §6 (NEW).]

For the purposes of this section, a "general increase in rates" means any change in the rates, tolls and charges of the public utility, the effect of which is to increase the annual operating revenues of a public utility by more than 1%, provided that this term does not include a rate change made for the sole purpose of implementing a fuel cost adjustment rate, pursuant to section 4703 or a rate change made for the sole purpose of implementing an energy conservation adjustment rate, pursuant to section 3154. [1999, c. 398, Pt. A, §13 (AMD); 1999, c. 398, Pt. A, §§104, 105 (AFF).]

The commission may, in its discretion, require the filing of information relating to the changes to be filed in a general increase in rates at the same time as the schedules are filed. The commission may require utilities, whose gross revenues exceed \$5,000,000 annually, to notify the commission, not more than 2 months in advance of filing a general increase in rates under this section, that such a filing is planned and to disclose the approximate amount of the increase, a general statement of the major issues that might be

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presented and the approximate rate of return the utility would be seeking. [ 1987, c. 141, Pt. A, §6 (NEW). ]

### SECTION HISTORY

1987, c. 141, §A6 (NEW). 1995, c. 254, §1 (AMD). 1999, c. 398, §A13 (AMD). 1999, c. 398, §§A104,105 (AFF).

### **Exemption is Requested Based on the Following:**

The District proposes to continue to be bound by the provisions of this statute, with the Board of Trustees substituted for the Commission. This will allow customers to continue to receive the protections afforded by the statute, while allowing local governance for purposes of rate making. As grounds for this request, the District restates the arguments provided in its request for exemption from section 301(4) of the statute.

Fire protection fees and revenue are determined by a cost of service study presently prescribed by Chapter 69 of the Rules of the Public Utilities Commission. The District will continue to utilize the cost of service method for the establishment of these fees and revenue.

With regard specifically to Chapter 140 of the PUC Rules, (Utility Service Area and Infrastructure Maps), this Rule requires certain public utilities to develop, maintain, and file with the Commission maps of their service area and key infrastructure. This Rule further establishes standards for the content and format of those maps.

The District has over 50,000 assets that are represented in Geographic Information System (GIS). This encompasses 1,000 miles of water main, 100 miles of sewer main and all associated appurtenances. This information can be viewed by 178 District employees through web-based mapping application which utilizes an ARCServer site license. The employees have the ability to view and provide updates and information about the District assets in real-time through more than 50 mobile laptops installed in District vehicles along with the ability to view mapping information on other various mobile devices (phones, tablets). The District is continuously updating information as the system gets maintained, extended or repaired.

The mapping system is referred to by the District as Asset Information Management (AIM) Spatial. AIMSpatial is supported a GIS Analyst, an Asset Analyst, and three Asset Technicians. These highly qualified analysts and technicians are responsible for QA/QC of the data entered into the system. The AIMSpatial System is the backbone to the District's water distribution hydraulic model. The employees have the ability to develop adhoc reports and maps to support their various work processes.

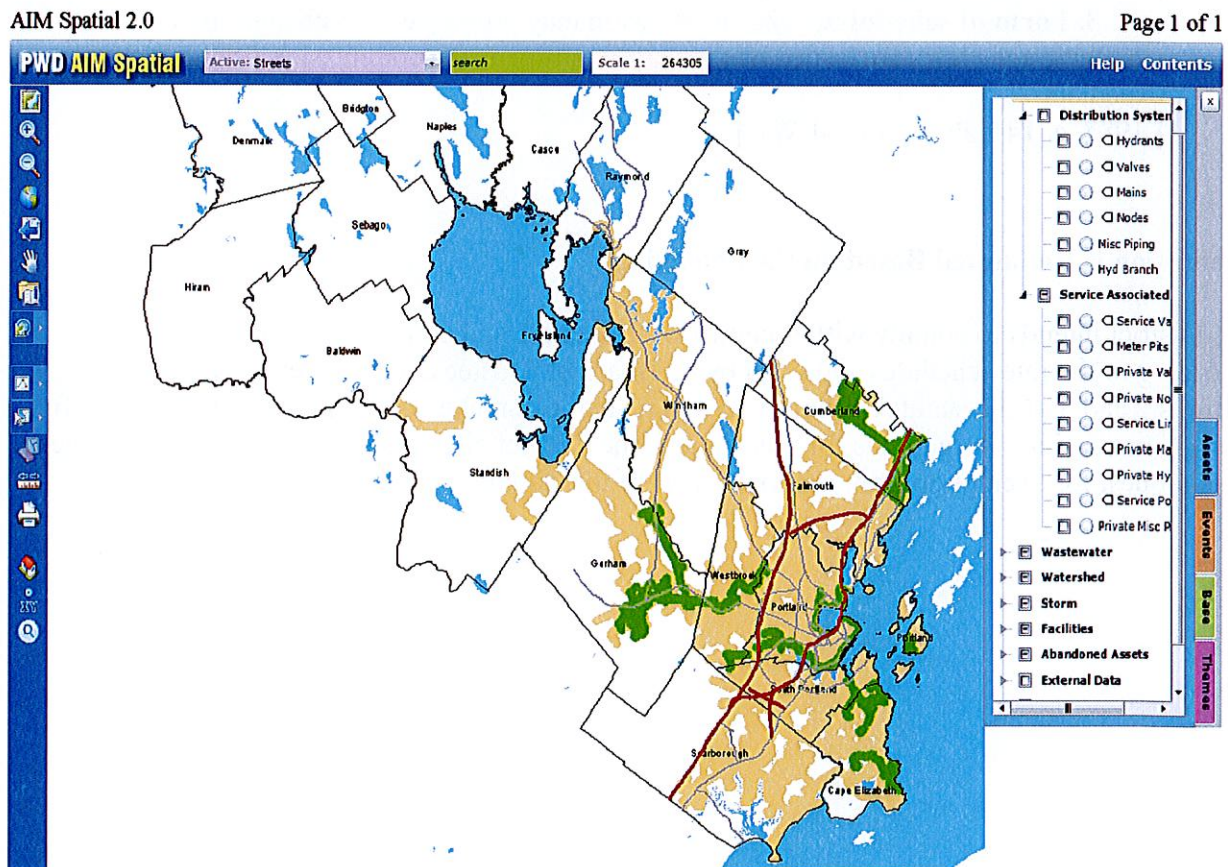
The District's Asset Management and Planning Department is the primary group responsible for spatial data requests. The District discourages providing static maps of the system if possible and maintains a data request process to help ensure that the data supplied meets the needs and the scope is appropriate. As noted above, the distribution system has seen continuous growth, adding 300 to 600 new customers and from 2 to 10 miles of water main per year. As a result static maps often do not reflect the latest system configuration and are discouraged because of

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this fact. The District is in the process of deploying a Web Portal for our member municipalities to view the mapping data live. Public Works, Planners and Fire Departments will be able to access real-time information about the District system and make more informed decisions and provide better information to their respective customers. This can be made available to the PUC if desired.

The system is backed-up nightly and the data is housed both on-site and in an offsite secure location.

Figure 1 – Portland Water District AIM Spatial Portal



**Request for Exemption from 35-A M. R. S. A. §309 (2) and (3), Adherence to rate schedules; change in form of schedules**

**§309. Adherence to rate schedules; change in form of schedules**

**2. Exception.** Notwithstanding subsection 1, when a public utility changes its rates, tolls or charges pursuant to any provision of this Title, the commission may for billing purposes, order that the change be applied to some or all service reflected in meter readings on or after the effective date of the change, or to such other period as it determines just and reasonable.

[ 1987, c. 141, Pt. A, §6 (NEW) .]

**3. Form of schedules.** The commission may prescribe such changes in the form in which the schedules are issued by any public utility as the commission finds to be expedient.

[ 1987, c. 141, Pt. A, §6 (NEW) .]

**Exemption is Requested Based on the Following:**

The District intends to comply with section 1 of the statute and continue to charge rates according to the rate schedules approved by its Board of Trustees. It seeks exemption from sections 2 and 3 of the statute so the Board of Trustees can make determinations previously left to the Commission. As grounds for this request, the District cites the arguments previously cited in its request for exemption from section 301(4) of the statute.

**Request for Exemption from 35-A M. R. S. A. §310, Investigation of proposed changes in rates of public utilities; suspension pending investigation**

**§310. Investigation of proposed changes in rates of public utilities; suspension pending investigation**

**1. Investigation of proposed rate changes.** When the commission receives notice of any change proposed to be made in a schedule of rates filed with the commission under the provisions of law, it may at any time before the effective date of the change, either upon complaint or upon its own motion and after reasonable notice, hold a public hearing and make investigation as to the propriety of the proposed change. The hearing shall be held in accordance with section 1304. At any such hearing involving any change, the burden of proof to show that the change is just and reasonable is upon the public utility. After a hearing and investigation, the commission may make an order with reference to any new rate, joint rate, rental, toll, classification, charge, term, condition or form of contract or agreement proposed as would be proper in a proceeding initiated upon complaint or upon motion of the commission in any rate investigation. In implementing the order, the commission shall assure rate design stability.

[ 1987, c. 141, Pt. A, §6 (NEW) .]

**2. Suspension pending investigation.** Pending an investigation and order, the commission may at any time within the period preceding the effective date of the schedule suspend the operation of the schedule or any part of it, by filing with the schedule and delivering to the public utility affected a statement of its reasons for the suspension. The suspension shall not be for a longer period than 3 months from the effective date of the order of suspension, but if the investigation can not be concluded within a period of 3 months, the commission may in its discretion extend the time of suspension for 5 additional months.

[ 1987, c. 141, Pt. A, §6 (NEW) .]

**3. Exception: Municipal and quasi-municipal water utilities and consumer-owned transmission and distribution utilities.** This section does not apply to:

A. Municipal or quasi-municipal corporations that are water utilities within the definition of section 102, any provisions in any charter notwithstanding, and that elect to proceed pursuant to the terms of section 6104 or 6104-A, unless by the express terms of section 6104 or 6104-A the provisions of this section are made applicable to those corporations; [2009, c. 237, §1 (AMD).]

A-1. Municipal or quasi-municipal corporations that are water utilities within the definition of section 102, any provisions in any charter notwithstanding, and that file a change in a schedule pursuant to section 307 that changes rates, tolls or charges for service other than the provision of water, only if the cumulative revenue impact of all such changes that become effective within any consecutive 12-month period does not exceed 1% of the utility's total annual revenue; or [2007, c. 127, §1 (NEW).]

B. Consumer-owned transmission and distribution utilities organized in accordance with chapter 35, unless by the express terms of chapter 35 the provisions of this section are made applicable to those districts. [1999, c. 398, Pt. A, §14 (AMD); 1999, c. 398, Pt. A, §§104, 105 (AFF).]

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[ 2009, c. 237, §1 (AMD) .]

**SECTION HISTORY**

1987, c. 141, §A6 (NEW). 1999, c. 398, §A14 (AMD). 1999, c. 398, §§A104,105 (AFF).  
2007, c. 127, §1 (AMD). 2009, c. 237, §1 (AMD).

**Exemption is Requested Based on the Following:**

The District seeks exemption from this statute so that its Board of Trustees can establish rates pursuant to the public process described in the District's request for exemption from Section 301 (4) of the statute, and for the same reasons described in that exemption request.



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**Request for Exemption from 35-A M. R. S. A. §311, Comprehensive classification of service**

**§311. Comprehensive classification of service**

The commission shall provide for a comprehensive classification of service for each public utility. The classification may take into account the quantity used, the time when used, the purpose for which used and any other reasonable consideration. Each public utility shall conform its schedules of rates, tolls and charges to the classification. [1987, c. 141, Pt. A, §6 (NEW).]

SECTION HISTORY  
1987, c. 141, §A6 (NEW).

**Exemption is Requested Based on the Following:**

The District seeks exemption from this statute for the same reasons cited in the prior requests for statutory exemption. Classifications for service should be made by the Board of Trustees as the governing body of the District. The Board is familiar with the District's classification of services and will continue to implement the present system of classification until such time as business needs and customer needs require changes, which would be done through a public process coincident with a rate change.

**Request for Exemption from 35-A M. R. S. A. §710, Accidents investigated; reports, and PUC Chapter 130-Safety and Accident Reporting Requirements**

**§710 Accidents investigated; reports**

If an accident occurs upon the premises of a public utility or directly or indirectly arises from or is connected with its maintenance or operation, the following provisions apply. [1987, c. 141, Pt. A, §6 (NEW).]

**1. Accidents resulting in loss of life.** If the accident results in the loss of human life, the public utility shall file a report of the accident in accordance with subsection 4 and the commission shall cause an investigation of the accident to be made immediately. [1987, c. 141, Pt. A, §6 (NEW) .]

**2. Accidents resulting in personal injury or property damage.** If the accident results in personal injury or damage to property, the public utility shall file a report of the accident in accordance with subsection 4 and the commission may investigate if in its judgment the public interest requires it. [1987, c. 141, Pt. A, §6 (NEW) .]

**3. Investigations.** Investigations shall be made in compliance with the following provisions:

A. An investigation shall be held in the locality of the accident unless, for the greater convenience of those concerned, the commission orders it to be held at some other place. An investigation may adjourn from place to place as may be necessary and convenient. [1987, c. 141, Pt. A, §6 (NEW).]

B. The commission shall seasonably notify the public utility of the time and place of investigations. [1987, c. 141, Pt. A, §6 (NEW).]

C. The public utility shall have an opportunity to be heard during the investigation. [1987, c. 141, Pt. A, §6 (NEW).]

D. The commission may make such order or recommendation based on its investigation as in its judgment seems just and reasonable. [1987, c. 141, Pt. A, §6 (NEW).]

[1987, c. 141, Pt. A, §6 (NEW) .]

**4. Filing accident reports.** Every public utility shall file reports of accidents described in subsections 1 and 2 with the commission. Accident reports must be filed in compliance with the commission's rules and in the manner and form designated by the commission. Accidents resulting in loss of human life must be reported immediately by telephone, facsimile machine or electronic media in a manner designated by the commission followed by a detailed written report.

[1995, c. 225, §6 (AMD) .]

**5. Reports not admitted as evidence in an action.** No order or recommendation of the commission or accident report filed with the commission may be admitted as evidence in any action for damages based on or arising out of the loss of life or injury to person or property referred to in this section.

[1987, c. 141, Pt. A, §6 (NEW) .]

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**SECTION HISTORY**

1987, c. 141, §A6 (NEW). 1995, c. 225, §6 (AMD).

**Exemption is Requested Based on the Following:**

The District requests exemption from this statute. The District has a sophisticated safety program and a risk management protocol that meets the intent of the statutory requirements; this is exhibited in the information supplied by the District as part of this petition. The protocols involve the Maine Department of Labor and the District's Workers Compensation insurance provider. Further, the District employs a full-time Safety Officer in its human resources department. Filing the required accident reports adds no value to the process as the District's safety program adequately addresses the safety issues this statute is designed to address. An exemption from this requirement will further relieve the administrative burden to the Commission of recording and keeping this information.

**Request for Exemption from 35-A M. R. S. A. §902, (Approval of stocks, bonds and notes by Public Utilities Commission) Commission authorization required**

**§902. Commission authorization required**

1. Order authorizing issuance. No public utility may make an issuance as described in section 901, except as provided in section 906, unless it has made a written application, setting forth information the commission may require and has secured from the commission an order authorizing the issue and the amount of the issue and stating that in the opinion of the commission the proceeds of the issuance of the stocks, bonds, notes or other evidences of indebtedness are required in good faith for purposes enumerated in section 901.

[ RR 2009, c. 2, §99 (COR) .]

2. Matters which may be considered. In determining whether to grant its authorization, the commission may consider the reasonableness of the purpose or purposes for which the proceeds of the issue will be applied, other resources which the utility has available or may have available for those purposes, the justness and reasonableness of the estimated cost to the utility of the issue and the effect of the issue upon the utility's capital structure. The commission's decision shall be in writing and shall contain findings setting forth the reasons for the decision.

[ 1987, c. 141, Pt. A, §6 (NEW) .]

3. Procedure upon application. For the purpose of enabling the commission to determine whether it shall issue an order in accordance with subsection 1, the commission shall make such inquiries for investigation, hold such hearings and examine such witnesses, books, papers, documents or contracts as it determines important in enabling it to reach a determination. The commission may determine whether and in what manner notice of the application shall be given and whether a hearing should be held. In view of the public interest in the prompt resolution of questions affecting the issuance of securities by public utilities, in cases in which a hearing is held or the application is contested, the commission shall issue its final order within 60 days of the filing of the application or 30 days of the close of hearing on the application, whichever first occurs, unless the commission makes an affirmative determination that additional time is necessary for a proper resolution of issues concerning the application and, notwithstanding any other provisions of law, shall establish such accelerated notice periods, schedules and limitations on hearings as may be necessary in furtherance of the resolution of those issues.

[ 1987, c. 141, Pt. A, §6 (NEW) .]

4. Approval of issuance not to affect rate-making powers. No order of the commission authorizing the issue of stocks, bonds, notes or other evidences of indebtedness may limit or restrict the powers of the commission in determining and fixing any rate, fare, toll, charge, classification, schedule or joint rate as provided in this Title.

[ 1987, c. 141, Pt. A, §6 (NEW) .]

**SECTION HISTORY**

1987, c. 141, §A6 (NEW). RR 2009, c. 2, §99 (COR).

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**Exemption is Requested Based on the Following:**

The District seeks exemption from this statute for the same reasons described in its request for exemptions to 35-A §304 of the statute. The District would continue to provide public notice of the issuance of bonds, with the Board of Trustees conducting a public hearing on the bond issuance; the only difference in the bond issuance process would be that the Commission would not approve the bond. The District employs professional, credentialed finance staff who often works with public finance consultants in developing financing plans, which consider credit worthiness factors used by rating firms. Further independent bond rating agencies already provide a review of the District's creditworthiness during the bond rating process. The District's charter gives it authority within certain parameters to issue bonds and notes. Independent Bond Counsel reviews the proposed bond to assure the bond satisfies the District's charter, Internal Revenue regulations and other laws. For bonds issued through the Maine Municipal Bond Bank, the District provides financial information that is reviewed by Bank. The Commission review is an unnecessary and redundant review that only adds time to the process.

**Request for Exemption from 35-A M. R. S. A. §6102, Filing with the commission plans for construction or improvements of water systems, and PUC Chapter 63-Major Construction Projects for Water Companies**

**§6102. Filing with the commission plans for construction or improvements of water systems**

**1. General requirements.** Any water utility, before commencing construction of a new water system or a major addition to or alteration of an existing water system, shall file with the commission, in accordance with the commission's rules, plans and specifications for the construction, addition or alteration in order to obtain the advice of the commission as to cost, method of financing and adherence to proper engineering standards. If the water utility, in whole or in part in consequence of the requirements of the federal Safe Drinking Water Act, 42 United States Code, Sections 300f to 300j-11, will incur expenses in the construction, addition or alteration that are likely to result in increases in rates, tolls or charges totaling more than 50% of the utility's annual operating revenues, the utility shall publish in a newspaper of general circulation in the service territory of the water utility a notice to customers that information regarding the construction, addition or alteration is available for public review at a location and in a manner that is convenient to the water utility's ratepayers and provide to each of the water utility's customers a direct written notice of the availability of that information.  
[ 2001, c. 488, §1 (AMD) .]

**2. Certain construction or improvements; additional requirements.**  
[ 2001, c. 488, §2 (RP) .]

**SECTION HISTORY**

1987, c. 141, §A6 (NEW). 1991, c. 52, §1 (RPR). 1993, c. 91, §9 (AMD). 2001, c. 488, §§1,2 (AMD).

**Exemption is Requested Based on the Following:**

The District seeks exemption from this statute. As grounds for its request, the District notes that it provides information on its major construction projects to the Maine Drinking Water Program. The requirement of filing with the Commission is redundant. Further, the District employs a staff of ten professional engineers often working with well respected engineering firms in designing construction projects. It is doubtful that the District's construction plans are of any value to the Commission.

**Request for Exemption from 35-A M. R. S. A. §6104, Municipal and quasi-municipal water utilities subject to suspension, investigation, hearing and rate substitution, and the following PUC Chapters:**

- **69, Determination of Fire Protections Revenues for Water Utilities;**
- **120, Filing Requirements for Schedule of Rates, Terms and Conditions; and,**
- **640, Private Fire Protection Services**

**§6104. Municipal and quasi-municipal water utilities subject to suspension, investigation, hearing and rate substitution**

**1. Application of this section.** Notwithstanding section 310, any consumer-owned water utility that proposes to increase or decrease rates, tolls or charges may elect to set rates pursuant to this section. [ 1995, c. 255, §7 (AMD) .]

**2. Utilities that elect to set rates under this section.** Consumer-owned water utilities that elect 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 may testify and may question the officials present regarding the proposed rate change. [ 1995, c. 255, §8 (AMD) .]

**3. Notice of proposed rate change and hearing.** The consumer-owned water utility shall, at least 14 days prior to the hearing, publish a notice of the proposed rate change 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 water utility and give one notice of the proposed rate change and the date, time, place and purpose of the hearing to each of its customers. The published and individual notices must include a statement describing the amount of the rate change and the percentage change for each customer class, the customer's right to request information relating to the present and proposed rates, the right to an open and fair hearing and the right to further hearings before the commission, and the availability of assistance from the Public Advocate. The published and individual notices must inform customers that they can petition the commission to investigate the proposed rate change and must include a statement that signatures on petitions filed pursuant to subsection 7 are invalid unless accompanied by the printed names and addresses of the signers. The published and individual notices must also inform customers 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. Copies of the notice must be sent to the commission and the Public Advocate at least 14 days prior to the hearings. [ 1995, c. 255, §9 (AMD) .]

**4. Notice that rate change may be investigated by commission.** At the commencement of each hearing held pursuant to this section, the consumer-owned water utility shall inform those present that the rate change may be investigated by the commission in accordance with this section and that petitions filed pursuant to subsection 7 must bear the signatures and the printed names and addresses of the signers. Upon request, the utility shall provide customers with petition forms that include space for signatures and the printed names and addresses of the signers. [ 1995, c. 255, §10 (AMD) .]

**4-A. Supporting materials.** The water 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 shall be made available to customers for examination at the offices of the utility for at least 30 days prior to the hearing. The utility shall promptly provide any readily available relevant additional material or information requested by a customer, the commission or the Public Advocate. [ 1995, c. 255, §11 (AMD) .]

**5. Filing changed rates.** The water 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. [ 1987, c. 141, Pt. A, §6 (NEW) .]

**6. Effective date established for rate change.** Subject to the notice and waiver requirements of section 307, water utilities electing to set rates under this section may establish an effective date for a rate change of at least one month, but not more than 9 months, from the date the rates are filed with the commission. [ 1987, c. 141, Pt. A, §6 (NEW) .]

**7. Authority to investigate rate changes.** If, within 30 days of the public hearing, 15% of the customers of the consumer-owned water utility or 1,000 customers, whichever is less, file with the treasurer of the utility and with the commission petitions demanding a review of the rate changes by the commission, the rate change may be suspended, investigated, reviewed and changed in accordance with section 310, except that if a rate increase is more than 50% of the utility's annual operating revenues, the required number of petitions is 15% of the customers of the consumer-owned water utility or 500 customers, whichever is less. No suspension order issued by the commission pursuant to section 310 is effective for a period greater than 9 months from the date the rate changes were filed. [ 1991, c. 52, §2 (AMD) .]

**8. Procedure for suspension of rate change.** If the number of signatures on the petitions is 1,000 or if the number of signatures on the petitions equals or exceeds 15% of the customers indicated on the water 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 water utility of the suspension. [ 1987, c. 141, Pt. A, §6 (NEW) .]

**9. Water utility may challenge petitions.** A consumer-owned water utility has 10 days from 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 must 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 water utility notifies the commission in a timely fashion that it wishes to contest the validity of the petitions, the commission shall schedule a hearing. It shall hold the hearing and issue its decision on the validity of the petitions within 30 days of notification by the water 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 service is provided and, in the case of all other accounts where the utility's service is provided, a corporate officer, a partner or a proprietor. No



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more than one person may sign on behalf of an account. No person may sign on behalf of more than one account unless the person is a customer at each account.

Signatures on petitions filed pursuant to subsection 7 are valid only if accompanied by the printed names and addresses of the signers. If a petition filed pursuant to subsection 7 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. [ 1993, c. 589, §11 (AMD) .]

**10. Review of rates under section 310.** Nothing in this section prohibits a consumer-owned water utility from petitioning the commission for review pursuant to section 310 in the first instance. [ 1987, c. 490, Pt. B, §12 (AMD) .]

**11. Correction of errors.** Upon review of a rate filing made pursuant to this section, the commission may order the municipal or quasi-municipal water utility to correct mathematical or clerical errors. [ 1987, c. 141, Pt. A, §6 (NEW) .]

### SECTION HISTORY

1987, c. 141, §A6 (NEW). 1987, c. 490, §B12 (AMD). 1987, c. 628, §§2-4 (AMD). 1989, c. 159, §§7,8 (AMD). 1991, c. 52, §2 (AMD). 1993, c. 589, §§9-11 (AMD). 1995, c. 255, §§7-11 (AMD).

### **Exemption is Requested Based on the Following:**

The District seeks exemption from the terms of this statute, as it seeks to have ratemaking performed by the Board of Trustees. As grounds for this request, the District cites the reasoning provided in the earlier requests in this petition for exemption from rate making statutes and rules.

**Request for Exemption from 35-A M. R. S. A. §6104-A, Consumer-owned water utilities; streamlined ratemaking**

**§6104-A. Consumer-owned water utilities; streamlined ratemaking**

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

A. "Large consumer-owned water utility" means a consumer-owned water utility with total annual revenues of at least \$750,000 during the most recent fiscal year. [2009, c. 237, §2 (NEW).]

B. "Medium consumer-owned water utility" means a consumer-owned water utility with total annual revenues of less than \$750,000 and at least \$250,000 during the most recent fiscal year. [2009, c. 237, §2 (NEW).]

C. "Small consumer-owned water utility" means a consumer-owned water utility with total annual revenues of less than \$250,000 during the most recent fiscal year. [2009, c. 237, §2 (NEW).]

**2. Application of this section; qualification; supporting materials.** Notwithstanding section 310 or section 6104, any consumer-owned water utility may elect to increase rates pursuant to this section.

A. [2011, c. 106, §1 (RP).]

B. [2011, c. 106, §1 (RP).]

The consumer-owned water utility shall file its proposed rate increase, in accordance with the limits established in subsection 3, along with a copy of all materials required to be submitted under section 6104, subsection 4-A supporting the proposed rate increase with the commission and the Public Advocate at least 30 days prior to the public meeting required under subsection 4. A copy of the required materials supporting the proposed rate increase must be made available to customers for examination at the offices of the utility for at least 30 days prior to the public meeting. The utility shall promptly provide any readily available relevant additional material or information requested by a customer, the commission or the Public Advocate. [ 2011, c. 106, §1 (AMD) .]

**3. Maximum rate increase.** The maximum rate increase that a consumer-owned water utility may propose under this section:

A. Is 3% of current rates if the utility is a large consumer-owned water utility. The cumulative total of rate increases under this paragraph may not exceed 10% over 5 years; [2011, c. 106, §1 (AMD).]

B. Is 5% of current rates if the utility is a medium consumer-owned water utility. The cumulative total of rate increases under this paragraph may not exceed 15% over 5 years; and [2011, c. 106, §1 (AMD).]

C. Is 7.5% of current rates if the utility is a small consumer-owned water utility. The cumulative total of rate increases under this paragraph may not exceed 20% over 5 years. [2011, c. 106, §1 (AMD).]

**4. Utilities that set rates under this section; public meeting required.** Consumer-owned water utilities that qualify to increase rates under this section may not increase any rate, toll or charge without first holding a public meeting at which the Public Advocate and any customer may provide comment and may question the officials present regarding the proposed rate increase. [ 2009, c. 237, §2 (NEW) .]

**5. Notice of proposed rate increase and public meeting.** The consumer-owned water utility shall, at least 14 days prior to the public meeting required under subsection 4, publish a notice of the proposed rate increase and the meeting, including the date, time, place and purpose of the meeting, in a newspaper of general circulation in the area encompassed by the consumer-owned water utility and give one notice of the proposed rate change and the date, time, place and purpose of the meeting to each of its customers. The published and individual notices must include a statement describing the amount of the rate increase and the percentage change for each customer class, the customer's right to request information relating to the present and proposed rates and the availability of assistance from the Public Advocate. Copies of the notice must be sent to the commission and the Public Advocate at least 14 days prior to the meeting. [ 2011, c. 106, §1 (AMD) .]

**6. Public meeting; vote of governing body; minutes.** At the commencement of each public meeting held pursuant to this section, the consumer-owned water utility shall inform those present of the reason for the rate change. Each public meeting held pursuant to this section must include a public comment period. After the public meeting, the governing body of the consumer-owned water utility shall hold a meeting to deliberate and vote on the proposed rate increase, which may be modified on the basis of the public comment received during the public meeting. The consumer-owned water utility shall take minutes of the public meeting and the subsequent meeting of the governing body.

Within 30 days of the public meeting, the consumer-owned water utility shall file with the commission and the Public Advocate a copy of the minutes of that meeting, which must include a record of the public comment received. Within 30 days of the meeting of the governing body of the consumer-owned water utility held under this subsection, the consumer-owned water utility shall file with the commission and the Public Advocate a copy of the minutes of that meeting, which must include the vote of the governing body, along with responses of the governing body to the public comment received. A copy of the minutes of each meeting must be made available to customers for examination at the offices of the utility. [ 2009, c. 237, §2 (NEW) .]

**7. Filing changed rates.** The consumer-owned water utility shall file its changed rates with the commission within 30 days of the vote of the governing body of the consumer-owned water utility under subsection 6, but not sooner than 10 days following the vote. [ 2009, c. 237, §2 (NEW) .]

**8. Effective date established for rate change.** Subject to the notice and waiver requirements of section 307, consumer-owned water utilities electing to set rates under this section may establish an effective date for a rate change of at least one month, but not more than 9 months, from the date the rates are filed with the commission under subsection 7. [ 2009, c. 237, §2 (NEW) .]

**9. Review of rates under section 310.** Nothing in this section prohibits a consumer-owned water utility from petitioning the commission for review pursuant to section 310 or filing a rate change pursuant to section 6104 in the first instance. [ 2009, c. 237, §2 (NEW) .]

**10. Correction of errors.** Upon review of a rate filing made pursuant to this section, the commission may order the consumer-owned water utility to correct mathematical or clerical errors. [ 2009, c. 237, §2 (NEW) .]

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**SECTION HISTORY**

2009, c. 237, §2 (NEW). 2011, c. 106, §1 (AMD).

**Exemption is Requested Based on the Following:**

The District seeks exemption from the terms of this statute, as it seeks to have ratemaking performed by the Board of Trustees. As grounds for this request, the District cites the reasoning provided in the earlier requests in this petition for exemption from rate making statutes and rules.

**Request for Exemption from 35-A M. R. S. A. §6107 (2) and (5), System development charge**

**§6107. System development charge**

**2. Commission review.** If a consumer-owned water utility elects to institute a system development charge, it shall file the proposed charge and a description of the basis of the charge with the commission not less than 90 days before the effective date of the charge. The commission shall investigate the system development charge under section 1303 to determine whether it is just and reasonable.

[ 1987, c. 490, Pt. B, §16 (AMD) .]

**5. Water conservation programs.** Before a system development charge may be instituted, the consumer-owned water utility must report to the commission its efforts in implementing water conservation programs. The utility shall state what combination of system development charges and new conservation programs will allow the utility to meet growing demand in the least costly manner.

[ 1987, c. 490, Pt. B, §16 (AMD) .]

**Exemption is Requested Based on the Following:**

The District does not charge system development fees at this time. Should it decide to do so in the future, it would follow the parameters established by the statute, but would have the Board of Trustees perform the functions presently allocated to the Commission in the statute. As justification for this request, the District cites the reasoning provided in its request for exemption from rate making statutes and rules.

**Request for Exemption from 35-A M. R. S. A. §6107 A (2), Funding for infrastructure improvements for water utilities, and PUC Chapter 675-Infrastructure Surcharge and Capital Reserve Accounts**

**§6107-A. Funding for infrastructure improvements for water utilities**

Notwithstanding chapter 3, a water utility may fund future infrastructure improvements through recovery in rates and fund completed infrastructure replacement or repairs through the establishment of a surcharge in accordance with this section and rules adopted by the commission. Nothing in this section may be construed to exempt any expenditure by a water utility from review by the commission in accordance with this Title. [2011, c. 602, §4 (NEW).]

**2. Commission review of capital reserve account.** A water utility shall provide to the commission an annual accounting of all revenues deposited into and expenditures made from the water utility's capital reserve account. Money in the capital reserve account is not considered unappropriated retained earnings for the purpose of section 6112, subsection 5.  
[ 2011, c. 602, §4 (NEW) .]

**Exemption is Requested Based on the Following:**

PUC Rule Chapter 675 requires the Commission to do the following:

- Receive a System Infrastructure Assessment report; and,
- Review and approve the temporary surcharge.

The District is requesting the District's Board of Trustees be responsible for those items. The District uses the capital reserve account approach to funding infrastructure replacement. It follows the same process as budgeting, capital planning, and rate making as used by the District generally. The review by publicly elected officials at a public meeting would provide the necessary oversight to assure the decision is appropriate for the District.

The Board of Trustees would adopt a policy similar to Chapter 675 and would continue to implement the requirements of the current Chapter 675. In the future, based on the District's needs, any amendments would be done through a public process by the Board of Trustees.

**Request for Exemption from 35-A M. R. S. A. §6113 (5), Water supply protection fund**

**§6113. Water supply protection fund**

**5. Commission review.** If a consumer-owned water utility needs to accumulate more than the maximum amount allowed in the water supply protection fund to acquire interests as provided in subsection 3, the utility shall obtain the approval of the commission before any sum may be allotted to the fund that would cause the fund to exceed the maximum.

[ 1993, c. 30, §1 (NEW) .]

**Exemption is Requested Based on the Following:**

The District proposes to continue to follow the statutory requirements related to the water supply protection fund with Board of Trustees performing the Commission review function of the statute. The justification for this request is found in the requests for exemption from the ratemaking statutes and rules.

**Request for Exemption from PUC Chapter 62-Service Standards for Water Utilities**

SUMMARY: This rule sets forth comprehensive regulations for water utilities, including rules applicable to jobbing, conditions of service, seasonal service, low and high pressure areas, limited service contracts, and metering; and,

**Request for Exemption from PUC Chapter 65-Water Main Extension and Service Line Rule**

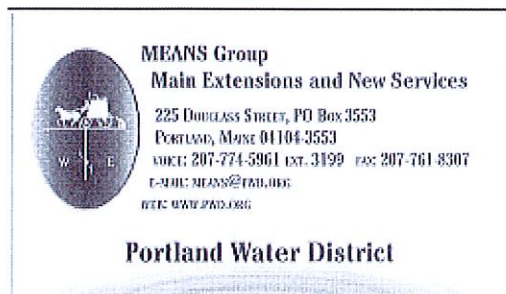
SUMMARY: This rule establishes standards and conditions for the extension of water utility services.

**Exemption is Requested Based on the Following:**

The District request for exemption from Chapters 62, Service Standards for Water Utilities, and 65, Water Main Extension and Service Line Rule, is supported by several measures. The first of these is that the District has an experienced staff and technical standards and procedures in place which adequately protect consumers as well as the District's water system. The District's policies follow the requirements established by Chapters 62 and 65 and this practice would continue initially should the District be granted an exemption from these Chapters. It is anticipated that over time, the District's standards and rules would evolve based on changes in the development sector, as well as changes in the business needs of the water industry.

The Engineering Services Division of the Asset Management and Planning Department is responsible for the design and commissioning of new assets for the District. These functions are primarily performed by what the District calls the Main Extension and New Services (MEANS) Group. The MEANS Group is comprised of Engineers and Technicians (Figure 1) that have in excess of 150 years experience in water and wastewater utilities, all of whom are Maine licensed water operators. The table of organization below briefly describes the roles the MEANS Group performs.

On average, each year, the MEANS Group handles 400 new service applications along with 10-20 main extensions. The Group is unmatched in Maine with experience in the design and oversight of the new water utility infrastructure and they ensure that all new assets provide for safe, adequate and reliable service both for the new and existing customers

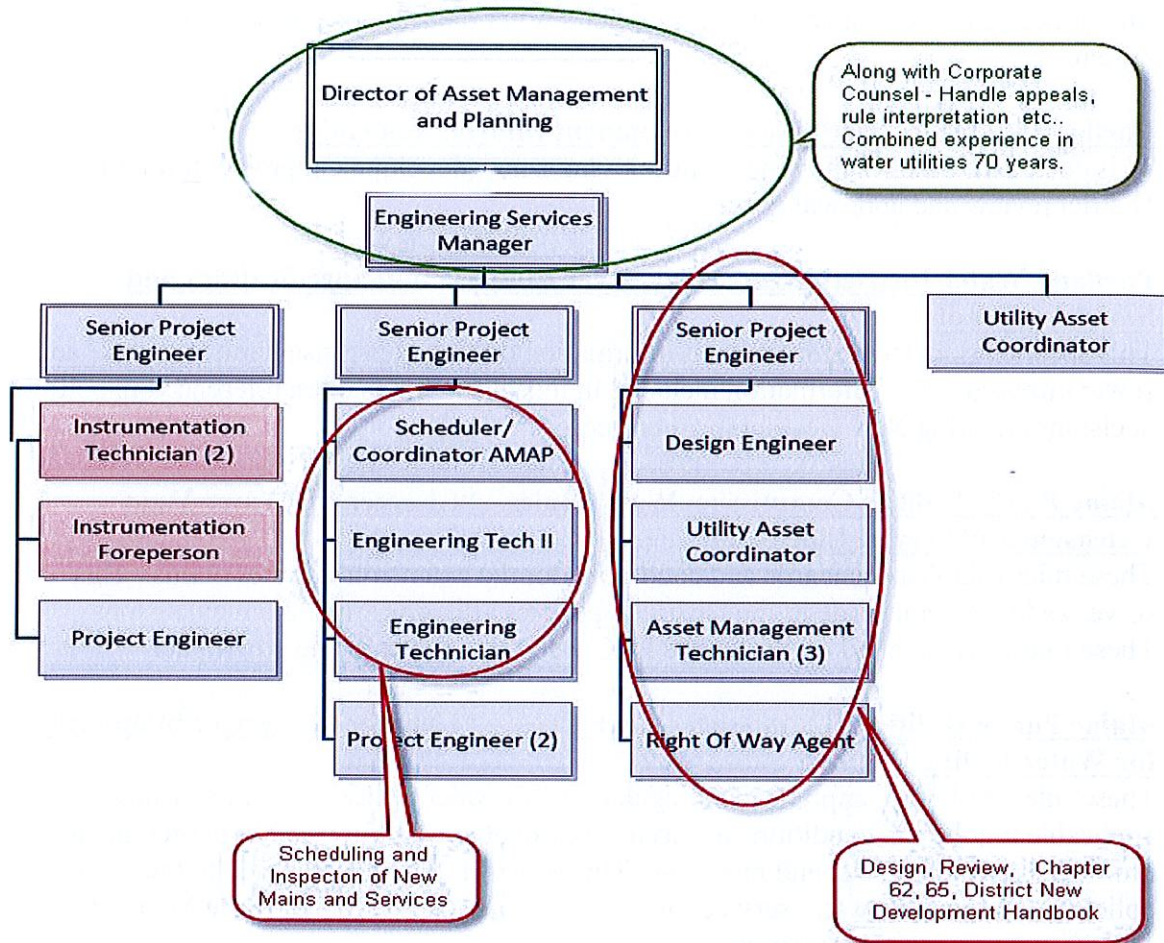


In 2010 the District produced a New Development Handbook (attached in appendix) which is rooted in the rules and regulations of Chapters 62 and 65 and the District's Terms and Conditions. This was developed to provide clarity and consistency to District policies and procedures by documenting how internal staff and external development teams should move projects through the design, approval, and construction process. It was also developed in support of becoming self-

governed for Chapters 62 and 65. This 155 page handbook is an extension and interpretation by the District of the rules and regulations outlined in Chapters 62 and 65.



**Figure 1 - Asset Management and Planning Table for Organization – MEANS Group**



The following sources are referenced by District staff when making decisions affecting the conditions of service and new water infrastructure. These sources are included in greater detail in our New Development Handbook, but are also available to the public on-line at [www.pwd.org](http://www.pwd.org) (See Figure 2).

**1. Portland Water District’s Terms and Conditions**

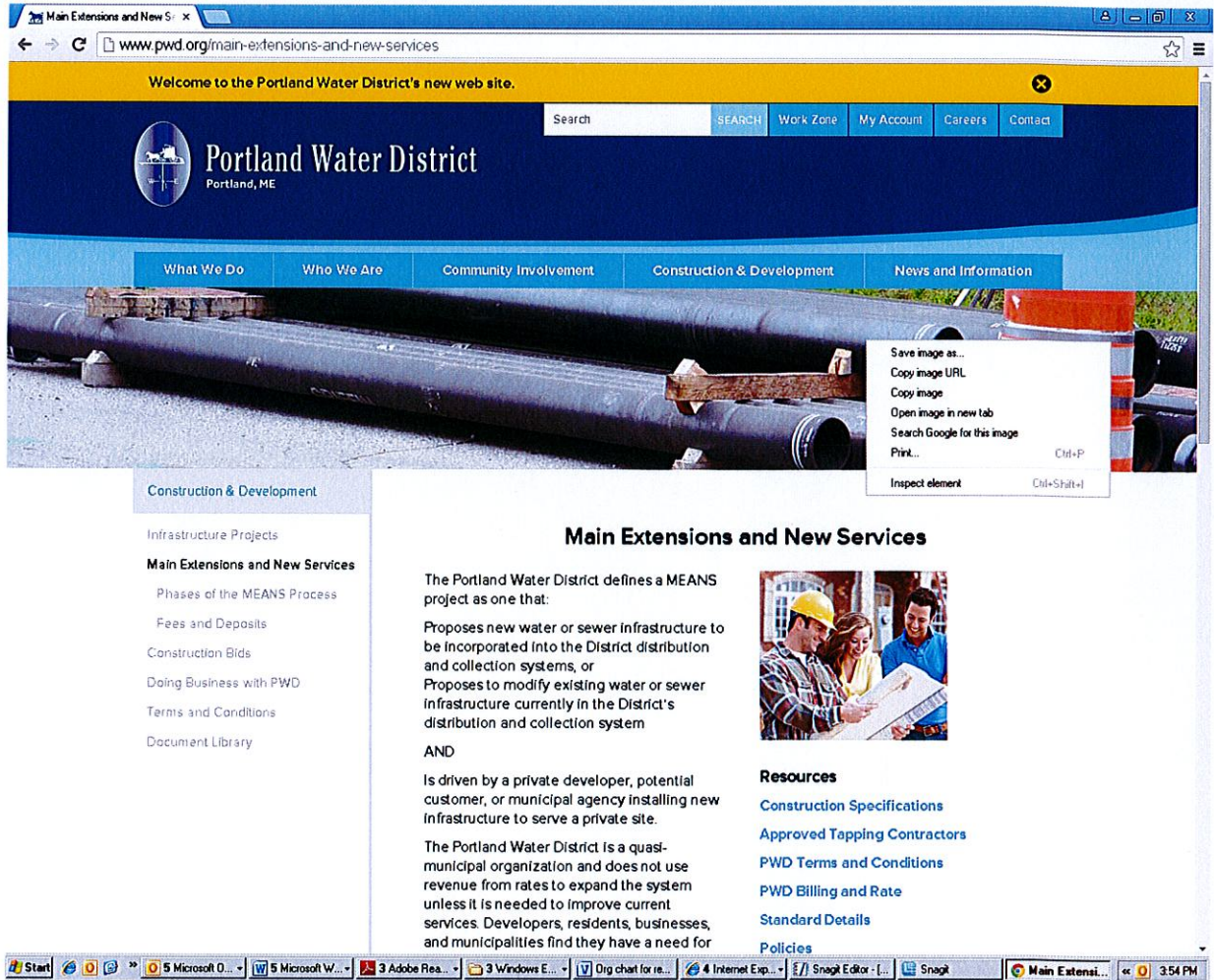
Terms and Conditions produced by the District and accepted by the Maine Public Utilities Commission, ultimately govern and guide the District in the operation of its business. New Development items noted within the Terms and Conditions are typically reserved for special policy items and impact fee identification.

**2. Portland Water District’s New Development Policy Guidance Document**

This document outlines a number of specific policies upon which the District routinely bases their project-related decisions.

3. **Portland Water District's New Development Design Guidance Document**  
This document is a resource for developers and consulting engineers who are designing infrastructure for acceptance into the District's water distribution and sewer collection system.
4. **Portland Water District's New Development Information Guide**  
This document outlines the process for moving a new development project through the District review and approval process.
5. **Portland Water District's Water and Sewer Construction Specifications and Standard Details**  
This specification document includes information on the proper installation of water and sewer infrastructure. Information included in this document is often referenced in policy decisions affecting New Development projects.
6. **Maine Public Utilities Commission Water Rules – "Chapter 65: Water Main Extension and Service Line Rule"**  
These rules establish standards and conditions for the extension of water mains. This serves as the general guide to the District's policies affecting water main extensions. These rules can be found on the Maine PUC website at [www.maine.gov/mpuc](http://www.maine.gov/mpuc).
7. **Maine Public Utilities Commission Water Rules – "Chapter 62: Service Standards for Water Utilities"**  
These rules set forth comprehensive regulations for water utilities, including rules applicable to jobbing, conditions of service, seasonal service, low and high pressure areas, limiting service contracts, and metering. This serves as the general guide to the District's policies affecting new water service lines. These rules can be found on the Maine PUC website at [www.maine.gov/mpuc](http://www.maine.gov/mpuc).
8. **Federal, State, and Municipal Laws and Codes Applicable to water and sewer service**  
The District's policies are tailored to be consistent with other laws and codes where possible. Examples include the Maine State Plumbing Code and local Planning Board policies of our member communities.

**Figure 2 - The Portland Water District website – MEANS site**



In the event a customer or developer disagrees with the MEANS group decision the following Appeal Process was developed. This process was developed in 2011.

### **Appeal of a District Decision**

The District’s goal is to apply fair and consistent practices when providing guidance or making decisions on privately financed, New Development projects. In the event that a customer/private development team disagrees with a specific decision that could adversely affect their project, they are advised to submit a letter to the MEANS Group noting their reasons for appeal. Internal appeals will be reviewed by District senior staff, legal counsel, and potentially the Board of Trustees and responded to in writing within 30 days of receipt. Customers/developers are advised that an appeal may be made at any time to the Maine Public Utilities Commission Consumer Assistance Division by following the process outlined at [www.maine.gov/mpuc](http://www.maine.gov/mpuc).

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We believe that the processes, policies and procedures that have been developed by the District and are utilized on a daily basis give the public more notice and protections than the basic rules of service provide by the Chapters 62 and 65, and that the regulation of the District by the Commission in this area is not warranted or needed.

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**CONCLUSION**

On the basis of the Petition and all the information submitted therewith, the District requests the granting of its Petition for Exemptions.

June 8, 2015

Respectfully Submitted,

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Guy Cote  
President, Board of Trustees

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Ronald Miller  
General Manager

