

**§6112. Contingency allowance**

**1. Annual contingency allowance.** A consumer-owned water utility may provide for an annual contingency allowance by including in rates the amounts as follows:

A. For a utility with total annual revenues up to \$85,000, an amount up to 10% of the revenues required to operate the utility; and [PL 2003, c. 529, §2 (NEW).]

B. For a utility with total annual revenues in excess of \$85,000, an amount up to 5% of the revenues required to operate the utility. [PL 2003, c. 529, §2 (NEW).]

[PL 2003, c. 529, §2 (AMD).]

**2. Contingency reserve fund maximum.**

[PL 2003, c. 529, §2 (RP).]

**3. Use of contingency reserve fund.**

[PL 2003, c. 529, §2 (RP).]

**3-A. Authorized uses; commission review.** This section does not:

A. Authorize a consumer-owned water utility to expend amounts collected pursuant to this section for any purposes other than those allowed under this Title; or [PL 2003, c. 529, §2 (NEW).]

B. Exempt any expenditures from review by the commission in accordance with this Title. [PL 2003, c. 529, §2 (NEW).]

[PL 2003, c. 529, §2 (NEW).]

**4. Transition.**

[PL 2003, c. 529, §2 (RP).]

**5. Commission review.** If the commission determines that the consumer-owned water utility has accumulated in its unappropriated retained earnings account an amount that is inconsistent with just and reasonable rates, the commission may, pursuant to chapter 13, order the utility to reduce its rates to the appropriate level either in the form of temporary rate adjustments, credits or reduction in rates.

[PL 2003, c. 529, §2 (AMD).]

**6. Public hearing on excesses.** If a consumer-owned water utility in each of 3 consecutive years collects through rates under subsection 1 an amount, in the case of a utility with up to \$85,000 total annual revenues, greater than 10% of the utility's annual operating expenses or, in the case of a utility with greater than \$85,000 total annual revenues, an amount equal to or greater than 7% of the utility's total annual operating expenses, the water utility shall:

A. No later than July 1st of the calendar year following the end of the 3rd consecutive year of over-collection, notify all of its customers in writing of the over-collection and of the time and place where the utility will hold a public hearing on the matter; and [PL 2003, c. 529, §2 (AMD).]

B. Hold a public hearing no less than 10 days and no more than 30 days after sending the notice required under paragraph A. During the hearing the water utility shall:

(1) Detail the extent of the over-collection;

(2) Provide opportunity for any customer to testify or question the officials on any matter relating to the utility's financial situation; and

(3) Explain and provide copies of the provisions of section 1302 and section 6104, subsection 7. [PL 1991, c. 221, §2 (NEW).]

[PL 2003, c. 529, §2 (AMD).]

**SECTION HISTORY**

RR 1991, c. 1, §49 (RNU). PL 1991, c. 221, §2 (NEW). PL 2003, c. 529, §2 (AMD).

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