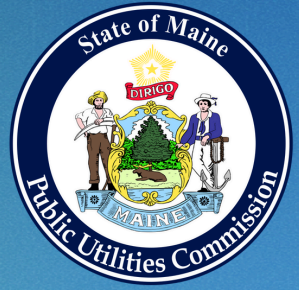


Capital Reserve Accounts



Capital Reserve Accounts are revenue collected and maintained in an account to pay for future infrastructure replacement and repair.

Qualifying infrastructure projects are those that are needed for the transmission, treatment and distribution of water. *Example projects include, replacing water mains, new storage tanks and updating pumping facilities.*

Do utilities need a separate account for these funds?	Yes, the funds for this account need to be in a separate designated account in your accounting books and records. However, they do not need to be held in a separate bank account.
How much can utilities put into an account?	Utilities can put between 10-20% of annual revenue requirement into this account. The exact amount depends on the annual revenue requirement. However, the amount can not exceed more than 1-5% of current gross utility plant.
Can this be collected in rates?	This will be part of the revenue requirement and can be recovered in rates.
What do utilities need to do start this?	Conduct a "System Infrastructure Assessment" which will identify the projects that will need replacement and repair in the future. The projects you fund with this account must be identified in this assessment.
Is there special reporting?	Yes, there is a requirement to report the details of the account as a part of your annual financial report.

This information is from [Chapter 675](#) in the Maine PUC Rules.

This flyer is intended for informational purposes only. This information is not legal advice and does not set any legal standard. Regulated public utilities must comply with Maine law and regulations and should consult with legal counsel for interpretation of laws and regulations.