

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 1396

H.P. 998

House of Representatives, February 18, 1999

**An Act Relating to Contractual Obligations of Electric Utilities after
Restructuring.**

Reference to the Committee on Utilities and Energy suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative USHER of Westbrook.
Cosponsored by Representatives: BOLDUC of Auburn, LaVERDIERE of Wilton, TRACY of Rome.

Be it enacted by the People of the State of Maine as follows:

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4 **Sec. 1. 35-A MRSA §3205, sub-§2**, as enacted by PL 1997, c. 316, §3, is amended to read:

6 **2. Marketing permitted.** On Except as provided in subsection 2-A, on and after the beginning of retail access, a large investor-owned transmission and distribution utility may not sell electric energy or capacity to any retail consumer of electricity. Pursuant to the requirements of this section, on and after the beginning of retail access, an affiliated competitive provider may sell electric energy or capacity to retail consumers of electricity:

14 A. Outside the service territory of the distribution utility with which it is affiliated; and

18 B. Within the service territory of the distribution utility with which it is affiliated, except that:

20 (1) The affiliated competitive provider may not sell or contract to sell more than 33% of the total kilowatt hours sold within the service territory of the distribution utility, as determined by the commission by rule; and

26 (2) In accordance with section 3212, the affiliated competitive provider may not at any one time provide or bid to provide standard-offer service for more than 20% of electric load within the territory of the transmission and distribution utility with which it is affiliated.

34 No later than January 1, 2005, based on its evaluation of the development of the competitive retail electric sales market, the commission shall complete an evaluation of the need for the market share limitation imposed under paragraph B, subparagraph (1) and shall report its findings together with any recommendations to the joint standing committee of the legislature Legislature having jurisdiction over utility matters.

42 **Sec. 2. 35-A MRSA §3205, sub-§2-A** is enacted to read:

44 **2-A. Contractual obligations of electric utilities after restructuring.** This chapter does not excuse a distribution utility from performing obligations to provide energy or capacity to retail consumers under contracts entered into on or before February 29, 2000 and these contracts remain in full force and effect according to the terms of the contracts. To the extent necessary to perform its obligations under these contracts, a distribution

2 utility may contract with an affiliated or nonaffiliated
3 competitive provider to sell electric energy or capacity to
4 retail consumers, subject to the limitations contained in
5 subsection 2.

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7 **SUMMARY**

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10 This bill makes clear that the electric industry
11 restructuring laws do not absolve electric utilities from their
12 obligations under contracts entered into on or before February
13 29, 2000. This bill allows electric utilities to ensure the
14 delivery of electricity to retail consumers under the terms of
their preexisting contracts after the date of restructuring.