

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
118TH LEGISLATURE

SECOND REGULAR SESSION  
AND  
SECOND SPECIAL SESSION

BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
UTILITIES AND ENERGY

MAY 1998

**MEMBERS:**

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*Sen. John J. Cleveland*

*Sen. Philip E. Harriman*

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**ONE HUNDRED EIGHTEENTH LEGISLATURE**  
**SECOND REGULAR AND SECOND SPECIAL SESSIONS**

**Summary Of Legislation Before The Joint Standing Committees**  
**May 1998**

We are pleased to provide this summary of bills that were considered by the Joint Standing Committees of the Maine Legislature. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this Session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills handled by the joint standing committees. It is organized by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet ([www.state.me.us/legis/opla](http://www.state.me.us/legis/opla)).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

- CON RES XXX*..... Chapter # of Constitutional Resolution passed by both Houses
- CONF CMTE UNABLE TO AGREE*.....Committee of Conference unable to agree; bill died
- DIED BETWEEN BODIES*.....House & Senate disagree; bill died
- DIED IN CONCURRENCE*.....One body accepts ONTP report; the other indefinitely postpones the bill
- DIED ON ADJOURNMENT*.....Action incomplete when session ended; bill died
- EMERGENCY*.....Enacted law takes effect sooner than 90 days
- FAILED EMERGENCY ENACTMENT/FINAL PASSAGE*.....Emergency bill failed to get 2/3 vote
- FAILED ENACTMENT/FINAL PASSAGE*.....Bill failed to get majority vote
- FAILED MANDATE ENACTMENT*.....Bill imposing local mandate failed to get 2/3 vote
- INDEF PP*.....Bill Indefinitely Postponed
- ONTP*..... Ought Not To Pass report accepted
- OTP ND*..... Committee report Ought To Pass In New Draft
- OTP ND/NT*..... Committee report Ought To Pass In New Draft/New Title
- P&S XXX*..... Chapter # of enacted Private & Special Law
- PUBLIC XXX*..... Chapter # of enacted Public Law
- RESOLVE XXX*..... Chapter # of finally passed Resolve
- UNSIGNED*.....Bill held by Governor
- VETO SUSTAINED*.....Legislature failed to override Governor's Veto

Please note the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is June 30, 1998 and July 9, 1998 for the Second Special Session. Second Special Session laws include Public Laws beginning with Chapter 718, Private and Special Laws beginning with Chapter 82 and Resolves beginning with Chapter 117.

LD 2221 proposed to authorize the citizens of the Town of Ogunquit by referendum to dissolve the Ogunquit Sewer District and establish a town sewerage department.

**Committee Amendment "A" (H-947)**, which was the majority report of the Joint Standing Committee on Utilities and Energy, proposed to replace the bill. The amendment proposed to provide a mechanism for the recall by special election of trustees of the Ogunquit Sewer District for misfeasance, malfeasance or nonfeasance in office. This provision mirrors the provision currently in law governing Sanitary Districts. This amendment also proposed to permit the voters of the district to petition to have the trustees hold a special meeting. The voters of the district at the special meeting could hold a vote during the special meeting, but the result of the vote would be non-binding on the trustees of the district.

**House Amendment "A" to Committee Amendment "A" (H-1046)** proposed to strike the emergency preamble and the emergency clause from the bill.

*Enacted law summary*

Private and Special Law 1997, chapter 78 provides a mechanism for the recall by special election of trustees of the Ogunquit Sewer District for misfeasance, malfeasance or nonfeasance in office. This amendment also provides that the voters of the district may petition to have the trustees hold a special meeting. The voters of the district at the special meeting may hold a vote during the special meeting, but the result of the vote is not binding on the trustees of the district.

**LD 2237**

**Resolve, Regarding Legislative Review of Chapter 820: Requirements for Non-Core Utility Activities and Transactions Between Affiliates, a Major Substantive Rule of the Public Utilities Commission**

**RESOLVE 113**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP-AM MAJ	H-956
	OTP-AM MIN	H-960 COLWELL
		S-592 CLEVELAND

LD 2237 provided for legislative review of Chapter 820: Requirements for Non-Core Utility Activities and Transactions Between Affiliates, a major substantive rule of the Public Utilities Commission.

**Committee Amendment "A" (H-956)**, which was finally adopted, was the majority report of the Joint Standing Committee on Utilities and Energy and proposed to authorize the Public Utilities Commission to finally adopt its rule, Chapter 820: Requirements for Non-Core Utility Activities and Transactions Between Affiliates, provided that the rule were amended as follows:

1. Provisions relating to the calculation of the value of good will used by an affiliate were modified to require the Public Utilities Commission to establish for an initial 3-year period an annual amount that must be paid by the affiliate for the use of good will; to require the Public Utilities Commission to reexamine the value of the good will at the end of the initial 3-year period and establish an amount that must be paid by the affiliate for the use of good will for the next 3 years; and, at the end of 6 years, to establish that the value of good will is zero;

2. Provisions relating to limitations on investments by utilities in affiliates were modified to allow investments by a utility in a regulated affiliate if the utility has not obtained an investment grade bond rating or has filed for a temporary rate increase within 6 months of the utility's filing for approval of the investment, if the utility obtains approval pursuant to the Maine Revised Statutes, Title 35-A, sections 707 and 708; and
3. Provisions were inserted to allow utilities whose bonds are neither publicly rated nor rated by a private letter bond rating to make investments in affiliates if approved by the Public Utilities Commission pursuant to the Maine Revised Statutes, Title 35-A, section 707 and 708.

**Committee Amendment "B" (H-957)**, which was not finally adopted, was the minority report of the Joint Standing Committee on Utilities and Energy and proposed to authorize the Public Utilities Commission to finally adopt its rule, Chapter 820: Requirements for Non-Core Utility Activities and Transactions Between Affiliates, provided that the rule were amended in the same manner as described in the majority report except that provisions relating to the calculation of the value of good will used by an affiliate were modified to provide that

1. Charges for the use of good will could continue past the 6-year period but the presumption of the value of good will used by the affiliate would stop at the end of the 6-year period; and
2. Parties would be permitted to present evidence on whether payments for good will should continue past the 6-year period and, if so, what the amount of payments should be.

**House Amendment "A" (H-960)**, which was finally adopted, proposed to remove the emergency preamble and the emergency clause from the resolve.

**Senate Amendment "A" to Committee Amendment "A" (S-592)**, which was finally adopted, proposed to require the Public Utilities Commission to amend its major substantive rule regarding requirements for non-core utility activities and transactions between affiliates to provide that the provisions related to the use of a utility's good will by an affiliate of the utility apply to affiliates created on or after September 19, 1997. This amendment proposed only to require the affiliate to pay for the value of the good will it uses on a going-forward basis and not require it to make any additional payments for the use of good will made prior to the effective date of the rule.

#### ***Enacted law summary***

Resolve 1997, chapter 113 authorizes the Public Utilities Commission to finally adopt its rule, Chapter 820: Requirements for Non-Core Utility Activities and Transactions Between Affiliates, provided that the rule is amended as follows:

1. Provisions relating to the calculation of the value of good will used by an affiliate are modified to require the Public Utilities Commission to establish for an initial 3-year period an annual amount that must be paid by the affiliate for the use of good will; to require the Public Utilities Commission to reexamine the value of the good will at the end of the initial 3-year period and establish an amount that must be paid by the affiliate for the use of good will for the next 3 years; and, at the end of 6 years, to establish that the value of good will is zero;
2. Provisions related to the use of good will by an affiliate are made to apply to affiliates created on or after September 19, 1997; affiliates are required to pay only for the value of the good will it uses on a going-forward basis and is not required to make any additional payments for the use of good will made prior to the effective date of the rule;

1. Provisions relating to limitations on investments by utilities in affiliates are modified to allow investments by a utility in a regulated affiliate if the utility has not obtained an investment grade bond rating or has filed for a temporary rate increase within 6 months of the utility's filing for approval of the investment, if the utility obtains approval pursuant to the Maine Revised Statutes, Title 35-A, sections 707 and 708; and
2. Provisions are inserted to allow utilities whose bonds are neither publicly rated nor rated by a private letter bond rating to make investments in affiliates if approved by the Public Utilities Commission pursuant to the Maine Revised Statutes, Title 35-A, section 707 and 708.

**LD 2267**

**An Act to Amend the Charter of Great Northern Paper, Inc.**

**P & S 71**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MICHAUD CLARK	OTP	

LD 2267 proposed to grant to Great Northern Paper, Inc. the authority to continue furnishing electricity to the existing Millinocket mill facilities after the sale of the Millinocket mill facilities to a 3rd party. Provision of this electrical service would not be regulated.

***Enacted law summary***

Private and Special Law 1997, chapter 71 grants to Great Northern Paper, Inc. the authority to continue furnishing electricity to existing Millinocket mill facilities after the sale of the Millinocket mill facilities to a 3rd party. Provision of this electrical service is exempt from regulation by the Public Utilities Commission.

**LD 2277**

**An Act to Implement the Recommendations of the Majority of the Joint Standing Committee on Utilities and Energy Arising from Its Government Evaluation Act Review of the Office of the Public Advocate**

**PUBLIC 719  
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP      MAJ	H-963 JONES K S-613 CLEVELAND

LD 2277, which was the majority report of the Joint Standing Committee on Utilities and Energy pursuant to its Government Evaluation Act review of the Office of the Public Advocate, proposed supplemental funding for the Office of the Public Advocate to fund salary increases for the Public Advocate and the Public Advocate's staff and to cover costs of consultants and expert witnesses to handle cases at the Public Utilities Commission involving electric industry restructuring and telephone utility regulation and at the Public Utilities Commission and the Federal Energy Regulatory Commission involving issues related to Maine Yankee Nuclear Power Plant decommissioning.

See LD 2278 for a discussion of the minority report.

**House Amendment "A" (H-963)** proposed to add a fiscal note to the bill.