

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SECOND LEGISLATURE

Legislative Document

No. 1044

S. P. 320

In Senate, February 9, 1965

Referred to Committee on Public Utilities. Sent down for concurrence and ordered printed.

EDWIN H. PERT, Secretary

Presented by Senator Casey of Washington.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-FIVE

AN ACT Revising the Rural Electrification Cooperative Law.

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

Sec. 1. R. S., T. 35, § 2301, amended. Section 2301 of Title 35 of the Revised Statutes is amended by adding at the end, a new paragraph, as follows :

'No person, firm, association, corporation or cooperative engaged in the transmission, distribution and sale of electricity shall construct or extend facilities, or furnish or offer to furnish electricity, for ultimate use and not for resale, to any premises which are already receiving electric service from another electric supplier or which are not receiving such service but are located within 1,000 feet of a distribution line of another electric supplier, except with the consent in writing of such other electric supplier. Where unserved premises are located within 1,000 feet of the distribution lines of more than one supplier, said premises shall be served by the supplier whose distribution line is located in closest proximity to such unserved premises.'

Sec. 2. R. S., T. 35, § 2805, sub-§ 6, amended. Subsection 6 of section 2805 of Title 35 of the Revised Statutes is amended to read as follows :

'6. Patronage refunds. Any remaining revenues shall, unless otherwise determined by a vote of the members, be distributed by the cooperative to its members as patronage refunds prorated in accordance with the patronage of the cooperative by the respective members, paid for during such fiscal year. Nothing herein contained shall be construed to prohibit the payment by a cooperative of all or any part of its indebtedness prior to the date when the same shall become due. A cooperative shall be operated on a nonprofit basis for the mutual benefit of its members and patrons. The bylaws of a cooperative or its contracts with members and patrons shall contain such provisions

relative to the disposition of revenues and receipts as may be necessary and appropriate to establish and maintain its nonprofit and cooperative character.'

Sec. 3. R. S., T. 35, § 2805-A, additional. Title 35 of the Revised Statutes is amended by adding a new section 2805-A, to read as follows:

§ 2805-A. Disposition of property

The board of trustees of a cooperative shall have full power and authority, without authorization by the members thereof, to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust of, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues therefrom, all upon such terms and conditions as the board of trustees shall determine, to secure any indebtedness of the cooperative to the United States of America or any agency or instrumentality thereof.

A cooperative may not otherwise sell, mortgage, lease or otherwise dispose of or encumber all or a substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized by the affirmative vote of not less than a majority of all the members of the cooperative. Notwithstanding any other provision of chapters 221 to 227, or any other provision of law, the board of trustees may, upon the authorization of a majority of those members of the cooperative present at a meeting of the members thereof, sell, lease or otherwise dispose of all or a substantial portion of its property to another cooperative or to the holder or holders of any notes, bonds or other evidences of indebtedness issued to the United States of America or any agency or instrumentality thereof.'

Sec. 4. R. S., T. 35, § 2809, repealed and replaced. Section 2809 of Title 35 of the Revised Statutes is repealed and the following enacted in place thereof:

§ 2809. Exemption from jurisdiction of the Public Utilities Commission

Except as specifically otherwise provided by law, cooperatives shall not be deemed to be public utilities and shall be exempt from the jurisdiction and control of the Public Utilities Commission. Any person who has been refused membership in or service by a cooperative may complain of such refusal to the Public Utilities Commission which may, after hearing, upon finding that such service may reasonably be rendered, order such person to be served with reasonably adequate service.'

Sec. 5. R. S., T. 35, § 2881, sub-§ 4, amended. Subsection 4 of section 2881 of Title 35 of the Revised Statutes is amended to read as follows:

'4. Use of electric energy. To generate, manufacture, purchase, acquire, accumulate and transmit electric energy, and to distribute, sell, supply and dispose of electric energy to its members and to governmental agencies and political subdivisions, and to other persons not in excess of 10% of the number of its members;'

Sec. 6. R. S., T. 35, § 2881, sub-§§ 7, 8 and 11, amended. Subsections 7, 8

and 11 of section 2881 of Title 35 of the Revised Statutes are amended to read as follows:

'7. Acquire certain plants and equipment. To construct, purchase, lease as lessee or otherwise acquire, and to equip, maintain and operate, and to sell, assign, convey, lease as lessor, mortgage, pledge or otherwise dispose of or encumber electric transmission and distribution lines or systems, electric generating plants, electric cold storage or processing plants, lands, buildings, structures, dams, plants and equipment, and any other real or personal property, tangible or intangible, which shall be deemed necessary, convenient or appropriate to accomplish the purpose for which the cooperative is organized; ~~a cooperative shall not have the power of eminent domain;~~ and in the construction and operation of their facilities, cooperatives shall comply with all safety laws and regulations applicable to electric companies;'

'8. Electric transmission and distribution lines. To construct, maintain and operate electric transmission and distribution lines along, upon, under and across publicly owned lands and public thoroughfares, including all roads, highways, streets, alleys, bridges, and causeways, subject to chapter 179 and, **with the approval of the Public Utilities Commission, to exercise the power of eminent domain in the same manner and under the same conditions as set forth in chapter 263, and to have and exercise the rights and benefits provided for in Title 38, chapter 5;**'

'11. Member of other cooperatives. To become a member of other cooperatives or corporations or to own stock therein **and to conduct its business and exercise its power within or without this State;**'