

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1760

S. P. 550

In Senate, April 3, 1973

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

HARRY N. STARBRANCH, Secretary

Presented by Senator Kelley of Aroostook.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT Creating the Power Authority of Maine.

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

R. S., T. 35, Part 8, additional. Title 35 of the Revised Statutes is amended by adding a new Part 8, to read as follows:

PART 8

ELECTRIC POWER

CHAPTER 301

POWER AUTHORITY OF MAINE

§ 3341. Power Authority of Maine created

In order to provide an adequate supply of electric power and energy for the residents of this State as a whole, at the lowest possible cost consistent with sound utility practices; for the purposes of developing the natural resources of the State; stimulating the agricultural, recreational, general economic and industrial growth of the State, and thereby promoting the general health and welfare of the people of the State, there is created the Power Authority of Maine with the powers and duties set forth in this chapter.

§ 3342. Definitions

As used in this chapter the following words and terms shall have the following meanings unless the context shall indicate another or different meaning or intent:

1. Bonds. "Bonds" or the words "revenue bonds" shall mean revenue bonds and refunding revenue bonds and notes, certificates of indebtedness

or any other evidences of indebtedness issued by the commission under this chapter.

2. **Cost.** "Cost" as applied to any project shall include the cost of purchase, construction or other acquisition thereof, the cost of acquisition of all land, rights-of-way, property rights, easements and interests acquired by the PAM for such construction; landscaping and conservation; the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved; the cost of all machinery and equipment; financing the charges; interest prior to and during construction and for a period of time after completion of construction as deemed advisable by the PAM; cost of estimates of revenues and income; engineering and legal services; plans, specifications, surveys and all other expenses necessary or incidental to the determination of the feasibility or practicability of constructing the project, administrative expenses; initial working capital; debt service reserves and the repayment to the State of any obligation or expense incurred or paid by the State before or after the effective date of this Act for engineering, legal or other professional or technical services, reports, studies and data in connection with the construction of a project, shall be included as a part of the cost of the project.

3. **Owners.** "Owners" shall include all individuals, partnerships, associations, organizations and corporations and all public agencies and instrumentalities having any title or interest in and to any property, rights, easements and interests therein authorized to be acquired by the PAM by this chapter.

4. **PAM.** "PAM" shall mean the Power Authority of Maine created by this chapter or, if the PAM shall be abolished, the board, body, commission or agency succeeding to the principal functions thereof, or upon whom the powers given by this chapter to the PAM shall be conferred by law.

5. **PAM system.** "PAM system" shall mean any or all facilities for the generation, transmission and delivery of electric power and energy purchased, constructed and otherwise acquired by the PAM pursuant to this chapter and all extensions, improvements and betterments thereof.

6. **Project.** "Project" shall mean any single facility constituting a part of the PAM's system, as described in the resolution providing for the construction thereof, including extensions, improvements and betterments thereof.

7. **Public highways.** "Public highways" shall include highways, roads and streets either maintained by the State or any of its political subdivisions.

8. **Revenues.** "Revenues" shall mean any and all fees, tolls, rents, rates, receipts, moneys and income derived by the PAM through the ownership and operation of the PAM system.

9. **State.** "State" shall mean the State of Maine.

§ 3343. Creation of the PAM

There is created a public body, corporate and politic, and an agency of the State to be known as the Power Authority of Maine, consisting of 7 members

who are residents of the State, of whom one shall represent a publicly-owned electric utility system, one a cooperatively-owned electric utility system and one a privately-owned electric utility system, and no more than 4 of whom shall belong to any one political party. The members of the PAM shall be appointed by the Governor with the advice and consent of the Council. The members so appointed initially shall be for terms of one, 2, 3, 4, 5, 6 and 7 years from the date of their appointment and until their respective successors shall be duly appointed and qualified, the term of each member to be designated by the Governor at the time of appointment. Successor members shall be appointed for a term of 7 years, except any member appointed to fill a vacancy shall serve only for the unexpired term of the member creating the vacancy.

PAM members shall be eligible for reappointment. The PAM so appointed shall enter upon the performance of its duties as soon as practicable after the members thereof shall have been appointed and qualified, and shall initially and biennially thereafter elect one of its members as chairman and another as vice-chairman, and shall elect annually a secretary and treasurer or a secretary-treasurer who need not be a member of the PAM. The chairman, or in his absence the vice-chairman, shall preside at all meetings of the PAM, and in the absence of both the chairman and vice-chairman, the PAM shall elect a chairman pro tempore who shall preside at such meetings. Four PAM members shall constitute a quorum and all action by the PAM shall require the affirmative vote of a majority of the members. PAM members shall be entitled to reimbursement for expenses incurred in attendance upon meetings of the PAM or while otherwise engaged in the performance of their duties, and each PAM member shall be paid the sum of \$50 a day for each day or the portion thereof during which he is engaged in the performance of his duties. Such expenses and compensation shall be paid out of the treasury of the PAM in such manner as shall be prescribed by the PAM.

§ 3344. Powers of the PAM

In order to obtain the benefits and extend the services provided by section 3341 and to otherwise contribute to the economy, industrial and agricultural development and welfare of the State, the PAM shall have the following powers:

1. Contracts, seal, bylaws, rules and regulations. To contract and be contracted with; to sue and be sued; to adopt and use a seal and to alter the same at its pleasure; to adopt and amend from time to time bylaws covering proceedings of the PAM, and to adopt and amend from time to time rules and regulations governing the sale and delivery of all services sold, furnished or supplied by the PAM system;
2. Property. To acquire and hold real or personal property necessary or convenient for its purposes;
3. Disposal. To sell, lease or otherwise dispose of any personal or real property or rights, easements or estates therein deemed by the PAM not necessary for its purposes;

4. Electric generating and transmission systems and facilities. To purchase, construct or otherwise acquire, maintain, repair and operate, or cause to be repaired, maintained and operated thermal, including nuclear or fossil fuel, generating or hydroelectric plant or plants at a location or locations to be determined by the PAM, together with a system of high voltage transmission lines as may be required to enable interconnection of such plants and interconnections with other electric utility systems, either publicly, cooperatively or privately owned, within or without the State, including such systems in Canada and any of the provinces therein, together with substations, transformers and other equipment and accessories as may be necessary or convenient for the delivery of power to such systems; provided that, in order to insure environmental protection and conservation of the State's resources, the PAM shall insure that such plants, systems and facilities comply with state environmental control laws;

5. Licenses. To apply to any federal or state board, agency or commission having authority to make or issue rulings, licenses, orders or decisions deemed by the PAM to be necessary or convenient to enable the PAM to perform the powers conferred upon the PAM; provided that the Environmental Improvement Commission or its successor shall be the only state board, agency or commission which may require the PAM to secure any rulings, licenses, orders or decisions from it before the PAM engages in any activity authorized in this part;

6. Eminent domain. To acquire by the exercise of the power of eminent domain any lands, property, rights, rights-of-way, franchises, easements and other property, including public lands, parks, playgrounds, reservations, highways or parkways, or parts thereof or rights therein, or of any person, co-partnership, association, railroad or any other corporation, or of any municipality, county or other political subdivision as to such property owned by them, whenever the PAM cannot agree on the terms of purchase or settlement with such public agencies or other owners because of the incapacity of such owners, or because of the inability to agree on the compensation to be paid or other terms of settlement or purchase, or because such owners are nonresidents of the State, or are unknown, or are unable to convey valid title to such property. The PAM shall not have power to condemn any generating, transmission or distribution facilities of any publicly, cooperatively or privately owned electric utility system, except easements for rights-of-way for the construction of transmission lines by the PAM. Title to property acquired shall be taken in the name of the PAM, and such proceedings shall be instituted and conducted in accordance with, and subject to, chapter 263, and the PAM shall pay the costs and expenses of such proceedings as a part of the cost of construction or acquisition of the property so acquired as a part of the cost of acquisition of the project in connection with which such proceedings were instituted. The acquisition of any property by the PAM by condemnation or by the exercise of the power of eminent domain is declared to be for a public use of such property;

7. Contracts and agreements. To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the

execution of its powers under this chapter, including contracts for the purchase, sale, transmission or exchange of power and energy with the United States of America; contracts for the purchase, sale, transmission or exchange of power and energy with Canada and any of its provinces; contracts for the purchase, sale, transmission, or exchange of power and energy with electric utility systems, either privately, cooperatively or publicly owned, within and without the State, provided that the PAM shall give prior consideration to furnish the full power requirement of electric utility systems, either privately, cooperatively or publicly owned, within the State of Maine;

8. Grants or loans. To apply for and accept grants or loans and the cooperation of the United States of America or any agency thereof, or the State or any of its agencies or instrumentalities or any foundation, instrumentality or source whatsoever for the purpose of planning, purchasing, constructing, or acquiring the PAM system and the operation, management and financing thereof, and to do any and all things necessary to obtain such aid and cooperation;

9. Rates. To fix, establish, revise, maintain, charge and collect rates or charges for electric power and energy and all other services, facilities and commodities sold, furnished or supplied by the PAM;

10. Employees. To employ a general manager or executive director and such assistants, agents and employees, engineering, architectural and construction supervisors, inspectors, trustees, depositaries, paying agents, attorneys and such other employees as it shall deem necessary or desirable to properly perform the duties imposed on the PAM by this chapter and to fix their compensation;

11. Surveys, etc. To enter upon any lands, waters and premises for the purpose of making such surveys, soundings, borings and examinations as the PAM may deem necessary or convenient in the exercise of its powers, and such entry shall not be deemed a trespass, nor shall an entry for such purposes be deemed an entry under any condemnation proceedings, provided the PAM shall pay any actual damage resulting to such lands, water and premises as a result of such entry and activities;

12. Borrow money and issue evidences of indebtedness. To borrow money and issue bonds, notes, certificates or other evidences of indebtedness for any of its purposes as provided in this chapter payable solely from the revenues pledged for the payment of such bonds, notes, certificates or other evidences of indebtedness; and

13. Other acts. To do all other acts or things necessary or convenient to carry out the powers expressly granted in this chapter.

§ 3345. Issuance of revenue bonds

The PAM is authorized to provide by resolution for the issuance from time to time of revenue bonds of the PAM for the purpose of paying all or any part of the cost of the PAM system or any project or portion of such system. The principal of and interest on such bonds shall be payable solely from the revenues and other available moneys of the PAM pledged for such payment.

The bonds of each issue or series shall be dated, shall bear interest at such rate or rates as may be determined by the PAM, shall mature at such time or times not exceeding 50 years from the date or dates thereof, as may be determined by the PAM and may contain provisions reserving the right of the PAM to redeem such bonds before maturity at such price or prices and upon such terms and conditions as may be fixed by the PAM in the resolution authorizing such bonds. Such bonds may be issued in coupon or registered form, or both, as prescribed by the PAM and provisions may be made for the registration of coupon bonds as to principal only or as to both principal and interest and for the reconversion of registered bonds into coupon bonds. Such bonds may be issued in any denomination or denominations and may be made payable at any bank or trust company within or without the State as the PAM may determine. Such bonds and the coupons attached to coupon bonds shall be signed in such manner, either manually or by facsimile signature as shall be determined by the PAM, and sealed with the seal of the PAM or a facsimile thereof. In case any officer whose signature or facsimile thereof shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer or officers had remained in office until the delivery thereof. The PAM may sell such bonds in such manner either at public or private sale and for such price or prices as the PAM may determine. Prior to the preparation of definitive bonds, the PAM may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The PAM may provide for the replacement of any bonds which shall have become mutilated or shall be destroyed or lost.

Revenue bonds issued under this chapter shall not be deemed to constitute a debt of the State or of any political subdivision or instrumentality thereof, but shall be obligations of the PAM only and payable solely from the funds provided for the payment thereof from the revenues and other available moneys of the PAM.

§ 3346. Rates and charges

Whenever the PAM shall have constructed or otherwise acquired any part of the PAM system and has issued revenue bonds for such purposes, the PAM shall fix, revise, charge and collect fees, tolls, rents, rates and other charges for electric power and energy and all other services, facilities and commodities sold, furnished or supplied by the PAM from such system and the different parts or sections thereof, sufficient, together with any other moneys made available and used for that purpose, to pay the principal of and interest on such bonds, together with reserves for such purposes, and to maintain and operate such system and to keep the same in good condition and repair, and for the payment in lieu of taxes provided for in section 3354. Such fees, rates and other charges shall not be subject to supervision or regulation by any commission, board, bureau or agency of the State or of any municipality, county or other political subdivision of the State, and all revenues, when collected, and the proceeds from the sale of revenue bonds, shall be held by

the PAM in trust for the benefit of the holders of bonds of the PAM issued for the construction or acquisition of the PAM system and for the proper maintaining, operating and repairing of the PAM system.

§ 3347. Refunding bonds

The PAM is authorized by resolution to provide for the issuance of refunding revenue bonds with which to refund outstanding revenue bonds or any issue or series of such outstanding bonds, which refunding revenue bonds may be issued at or before the maturity or redemption date of the bonds to be refunded, and to include different issues or series of such outstanding revenue bonds by a single issue of refunding revenue bonds, and to issue refunding revenue bonds to pay any redemption premium and interest to accrue and become payable on the outstanding revenue bonds being refunded to the date of payment or redemption, and to establish reserves for such refunding revenue bonds. Such refunding revenue bonds shall be payable solely from all of that portion of the revenues of the PAM system pledged to the payment thereof in the bond resolution pursuant to which said bonds were issued. Such refunding revenue bonds may, in the discretion of the PAM, be exchanged at par for the revenue bonds which are being refunded, or may be sold at public or private sale in such manner and at such price or prices as the PAM shall deem for the best interests of the PAM, but no such sale shall be made at a price so low as to require the payment of interest on the money received therefor at more than 7% per year, computed with relation to the absolute maturity of the revenue bonds in accordance with standard tables of bond values, excluding from such computation the amount of any premium to be paid on the redemption of any bonds prior to maturity, and may be issued and delivered at any time prior to the date of redemption or maturity date of the bonds to be refunded as the PAM determines to be in the best interest of the PAM. The interest rate or rates on refunding revenue bonds shall not be limited by the interest rate or rates borne by any of the revenue bonds to be refunded thereby. The proceeds derived from the sale of refunding revenue bonds issued under this chapter may be invested in obligations of or guaranteed by the United States Government pending the application of such proceeds to the purpose for which such refunding revenue bonds have been issued, and to further secure such refunding revenue bonds, the PAM may contract with the purchasers thereof with respect to the safekeeping and application of the proceeds thereof and the safekeeping and application of the earnings of such investments. The determination of the PAM with respect to the financial soundness and advantage of the issuance and delivery of refunding revenue bonds authorized under this chapter shall be conclusive, but nothing contained in this chapter shall require the holders of any outstanding revenue bonds being refunded to accept payment thereof otherwise than as provided in said outstanding revenue bonds.

§ 3348. Trust agreement

In the discretion of the PAM any revenue bonds issued under this chapter may be secured by a trust agreement or indenture by and between the PAM and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the State to be selected by the

PAM in such manner as it may elect. Such trust agreement or the resolution providing for the issuance of such bonds may pledge or assign all or any portion of the revenues to be received by the PAM from the ownership and operation of the PAM system, but shall not convey or mortgage any PAM system or any part thereof. It shall be lawful for any bank or trust company incorporated under the laws of this State which may act as depository of the proceeds of revenue bonds or of revenues to furnish such indemnifying bonds or to pledge such securities as may be required by the PAM. Any such resolution, trust agreement or indenture may set forth the rights and remedies of the bondholders and of the trustee, and may restrict the individual right of action by bondholders. In addition, any such resolution, trust agreement or indenture may contain such other provisions as the PAM may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out such trust agreement or resolution may be treated as a part of the cost of the operation of the PAM system or portion thereof.

§ 3349. Security for revenue bonds

All or any portion of the revenues derived from the ownership and operation of PAM system, as may be provided for in the resolution authorizing the issuance of revenue bonds or in the trust agreement or indenture securing the same, may be pledged to, and charged with, the payment of the principal or the interest on such bonds as the same shall become due, and the redemption price or the purchase price of such bonds retired by call or purchase as therein provided. Such pledge shall be valid and binding from the time when the pledge is made. The revenues or other moneys so pledged and thereafter received by the PAM shall immediately be subject to the lien of such pledge without any physical delivery thereof or further action, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the PAM, irrespective of whether such parties have notice thereof. Neither the resolution nor any trust agreement nor indenture by which a pledge is created need be filed or recorded except in the records of the PAM.

§ 3350. Covenants to secure bonds

Any resolution, trust agreement or indenture authorizing the issuance of revenue bonds of the PAM may, for the benefit and security of the holders from time to time of such bonds, contain covenants by the PAM for said purpose, including covenants as to, among other things:

1. Operation and maintenance. The operation, maintenance and repair of the PAM system;
2. Purposes. The purpose or purposes to which the proceeds of the sale of such bonds may be applied and the use and disposition thereof;
3. Revenues. The use and disposition of the revenues of the PAM derived from the ownership or operation of the PAM system and additions, betterments and extensions thereof, including the investment thereof and the creation and maintenance of reserve funds and funds for working capital and all renewals and replacements to the PAM system;

4. Additional revenue bonds. The amount, if any, of additional revenue bonds payable from such revenues which may be issued and the terms and conditions on which such additional revenue bonds may be issued;

5. Rates. The fixing, maintaining, collection and deposit of rates and other charges for all the services sold, furnished or supplied by the PAM system;

6. Commission activities. The operation, maintenance, repair, management, accounting and auditing of the PAM;

7. Limitations on disposition. Limitations upon the right of the PAM to dispose of the PAM system or any part thereof without providing for the payment of the outstanding revenue bonds;

8. Trustees, etc. The appointment of trustees, depositaries and paying agents within or without the State to receive, hold, disburse, invest or reinvest the proceeds derived from the sale of revenue bonds and all or any part of the revenues derived by the PAM from the operation, ownership and management of the PAM system; and

9. Other covenants. Such other covenants and agreements as may be determined necessary in the discretion of the PAM to advantageously market the revenue bonds of the PAM.

§ 3351. Revenue bonds eligible for investment

Revenue bonds issued by the PAM under this chapter are made securities in which all public officers and public bodies of the State and its political subdivisions, all insurance companies, trust companies, banks, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital, in their control or belonging to them. Such bonds are made securities which may properly and legally be deposited with and received by any State or municipal officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds or obligations is now or may hereafter be authorized by law.

§ 3352. Authority obligations to be negotiable instruments; enforcement of bonds

Notwithstanding this chapter or any provisions of the laws of the State, and any recitals in any revenue bonds or any other obligations issued under this chapter, all such revenue bonds or other obligations shall be deemed to be negotiable instruments under the laws of this State.

§ 3353. Contract with bondholders

The provisions of this chapter, and of any resolution or resolutions or indentures providing for the issuance and security of any revenue bonds or other obligations issued as set forth in this chapter, shall constitute a contract with the holder or holders of any such revenue bonds or other obligations, and the agreements and covenants of the PAM under this chapter and under any such resolution, resolutions or indentures shall be enforceable by any

holder or holders of revenue bonds or other obligations issued under this chapter and any representative of such holder or holders, and any trustees appointed under the bond resolution and authorized so to do may, by action, injunction, mandamus or other proceedings issued by a court of competent jurisdiction, enforce any and all rights of such holders under the laws of the State or granted by this chapter and in any such bond resolution or indenture, and may compel performance of all duties required to be performed by this chapter and by such bond resolutions or indenture by the PAM or by an officer or agent thereof, including the fixing, charging and collecting of rates and other charges for the services sold, furnished or supplied by the PAM system.

§ 3354. Exemption from taxation

All property, real and personal, and all rights and interests therein, the income of the PAM, the revenue bonds and the interest thereon, the transfer thereof and any profit made on the sale thereof, shall at all times be free from taxation or assessment by the State or by any municipality, county or other political subdivision thereof, provided that, after paying or making provision for the payment of the principal of and interest on the outstanding bonds of the PAM as such principal and interest falls due and the proper costs of maintaining, operating and repairing the PAM system, including reasonable reserves for said purposes, the PAM shall pay to the General Fund of the State in lieu of taxes, within 60 days after the close of each fiscal year of the PAM, an amount equal to $\frac{1}{2}$ mill per kwh of power and energy sold by the PAM during the preceding fiscal year but not to exceed 10% of the gross revenues received by the PAM from said sale of power and energy during the preceding fiscal year.

In order that the counties, municipalities and other political subdivisions of the State having power to levy ad valorem taxes shall not suffer the loss of revenues through the acquisition of taxable property by the PAM, the Treasurer of State shall, from the moneys paid into the General Fund, for so long as the PAM is the owner of such property, pay annually to the counties, municipalities and other political subdivisions in which such property is located, sums equal to the amounts which the counties, municipalities and other political subdivisions received from the taxation from such property from the person, firm or corporation owning same during the year immediately preceding the purchase or acquisition of such property. Seventy-five per cent of the balance of such moneys remaining after making the payments is dedicated to, and shall be set aside and used solely for the support of, elementary and secondary education in the State, including the construction of school buildings and the furnishing and equipping of same.

§ 3355. Powers of state agencies

Any municipal corporation, county or other political subdivision of the State, and any agency or instrumentality of the State, are authorized and empowered to enter into and perform contracts or agreements with the PAM providing for furnishing to the PAM any one or more of the following cooperative undertaking or any combination thereof:

1. **Surveys.** The preparation, acquisition, loan or exchange of surveys, engineering data and other technical reports, studies and plans;
2. **Professional services.** The providing of engineering, planning and other professional and technical services, labor or other things of value;
3. **Construction.** The construction in whole or in part of any works or facilities to facilitate the construction of the PAM system and the purchase, sale or exchange of power and energy with said system;
4. **Costs.** The providing of funds in lump sums or installments to assist in paying the cost of any part of the PAM system or the operation and maintenance thereof;
5. **Land easements etc.** The acquisition and transfer to the PAM of land easements, rights-of-way or other property useful in the construction, operation and maintenance of the PAM system.

§ 3356. Consent to use state lands

The State consents, subject to the approval of the Governor with the advice and consent of the Council, to the use by the PAM of any lands or property owned by the State, including public highways and lands lying under water, which are deemed by the PAM to be necessary or convenient for the construction, maintenance and operation of the PAM system.

§ 3357. Miscellaneous

1. **State Treasury.** Any money set aside for the payment of the principal of or interest on any revenue bonds issued by the PAM not claimed within 2 years from the day the principal of such bonds is due by maturity or by call for redemption shall be paid into the State Treasury. No interest shall accrue on such principal or interest from the day the same is due. The State Controller shall keep an account of all money thus paid into the treasury, and it shall be paid to the individual, copartnership, association or corporation entitled thereto upon satisfactory proof that such individual, copartnership, association or corporation is so entitled to such money. If the claim so presented is rejected by the State Controller, the claimant may proceed against the State Controller for recovery in the Superior Court of Kennebec County. An appeal from the judgment of the court shall lie to the law court as in civil actions, and all laws and rules relating to practice and procedure in civil actions shall apply to proceedings authorized hereunder. No such proceeding shall be filed after 10 years from the date the principal of or interest on such bonds is due, provided, if the individual having such claim is an infant or insane person or is imprisoned at such due date, such proceedings may be filed within 5 years after the removal of such disability, notwithstanding the fact that such 10-year period shall have expired.

2. **Venue.** All civil actions and other proceedings against the PAM or any other person, firm or corporation, growing out of the construction, maintenance, repair, operation and use of any PAM system, or growing out of any other circumstances, events or causes in connection therewith, unless otherwise provided herein, shall be brought and conducted in the court or

courts having jurisdiction of such civil actions and proceedings in Kennebec County, and jurisdiction is conferred on such court or courts for that purpose. All such civil actions, suits and proceedings on behalf of the PAM shall be brought and conducted in the Superior Court of Kennebec County, except as otherwise provided, and exclusive jurisdiction is conferred on such courts for the purpose.

3. Report; audit. On or before the 90 days after the close of each fiscal year of the PAM, the PAM shall prepare a report of its activities for the preceding fiscal year and shall file a copy thereof with the Governor and the Legislature. Each such report shall set forth an operating financial statement covering the PAM's operations during the period covered by such report. The PAM shall cause an audit of its books and accounts to be made at least once in each year by certified public accountants to be selected by the PAM and the cost thereof shall be treated as a part of the cost of construction and operation of the project.

4. Books examined. The records, books and accounts of the PAM shall be subject to examination and inspection by duly authorized representatives of the Governor or of the Legislature, and any bondholder or bondholders, at any reasonable time, provided the business of the PAM is not unduly interrupted or interfered with thereby.

5. Interest in contracts. Any member, agent or employee of the PAM who contracts with the PAM or is interested, either directly or indirectly other than as a holder of a security interest in the contracting corporation, in and contract with the PAM or in the sale of any property, either real or personal, to the PAM shall be guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than 11 months, or by both. Exclusive jurisdiction for the trial of such misdemeanors is conferred upon the District Courts, provided that the term "contract" shall not be held to include the depositing of funds in, or the borrowing of funds from, or the serving as agent or trustee by, any bank in which any member, agent or employee of the PAM may be a director, officer or employee or have a security interest, or the purchase of service from, or other transactions in the ordinary course of business with, public service corporations.

§ 3358. Construction

This chapter shall be liberally construed to effectuate the purposes hereof, and the foregoing sections of this chapter shall be deemed to provide an additional and alternate method of doing the things authorized, and shall be regarded as supplemental and additional to powers that may be conferred upon the PAM by other provisions of law. The issuance of revenue bonds under this chapter need not comply with the requirements of any other law applicable to the issuance of bonds, and, except as otherwise expressly provided in this chapter, none of the powers granted to the PAM under this chapter shall be subject to the supervision or regulation or require the approval or consent of any commission, board, bureau, official or agency of the State.

§ 3359. Inconsistent laws inapplicable

All other general or special laws, inconsistent with any provisions of this chapter, are declared to be inapplicable to this chapter and to any project construed by the PAM pursuant to this chapter.

STATEMENT OF FACT

The purpose of this legislation is to create the Power Authority of Maine which will bring low cost power to Maine, improve our environment and provide better economic opportunities for all our people.