

MAINE STATE LEGISLATURE

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(EMERGENCY)
(New Draft: H. P. 1904, L. D. 1965)
SECOND REGULAR SESSION

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 2131

H. P. 2072

House of Representatives, February 2, 1978

Reported by Mr. Kelleher from Committee on Public Utilities and printed under Joint Rules No. 2.

EDWIN H. PERT, Clerk

STATE OF MAINE

**IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-EIGHT**

**AN ACT to Provide for the Payment of Costs for Relocating Utility Facilities in
an Urban Renewal Area.**

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, utilities are currently being required to absorb the costs of placing their facilities underground in urban renewal areas, which costs must be borne by all customers of the utility; and

Whereas, federal funds are available for the payment of these relocation costs; and

Whereas, the availability of the federal funds would prevent the undue hardship of relocation costs being imposed on utility customers in this State, especially those who derive no benefit from the urban renewal areas; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

30 MRSA c. 239, sub-c. III-C is enacted to read:

SUBCHAPTER III-C

RELOCATION OF UTILITY FACILITIES

§ 4881. Definitions

As used in this subchapter, unless the context otherwise indicates, the following words shall have the following meanings.

1. Administering authority. "Administering authority" shall mean an urban renewal authority, municipal officers or any other person or organizations empowered by the provisions of subchapters III, III-A and III-B to implement an urban renewal plan, community development program or municipal development district plan.
2. Development plan. "Development plan" shall mean an urban renewal plan, community development program or municipal development district plan as defined and described in subchapters III, III-A and III-B.

§ 4882. Payment of costs of relocating utility facilities underground in an urban renewal area

1. Relocating utility facilities; expenses. Any public utility, as defined in Title 35, section 15, subsection 13, that is required to move or relocate its facilities from or in any traveled way because of the requirements of a development plan, as defined in section 4881, subsection 2, which is approved after the effective date of this Act pursuant to the procedures established for the approval of development plans shall not be required to install the relocated or any new facilities underground at its own expense, but shall be reimbursed from federal funds provided to implement these plans for the costs of placing utility facilities underground. The relocation costs subject to reimbursement shall not exceed the cost of underground installation less the cost of providing the same service with the same capacity through a new overhead system.

A. In determining the amount of reimbursement, in the first instance, the public utility shall itemize for the administering authority of the development plan, the components of the utility's relocation costs and the cost of providing the same service with the same capacity through a new overhead system. In the event there is disagreement with respect to the reimbursement, the disagreement shall be submitted to the Public Utilities Commission which, after notice and hearings, shall determine the amount of the reimbursement.

B. The difference in costs, if any, between the underground and new overhead construction, shall qualify for reimbursement to the administering authority from the Federal Government to the fullest extent allowed by law. In the event

that federal moneys are not available to refund a public utility for relocating its facilities as described in this section, the relocation costs shall be considered ordinary costs of business for rate-making purposes.

Emergency clause. In view of the emergency cited in the preamble this Act shall take effect when approved.

STATEMENT OF FACT

The purpose of this new draft is to clarify the bill and to extend the provisions of the bill to any type of local development project. According to the new draft, the administrators of an urban renewal plan, a community development program or municipal development district will be able to apply for federal funds to relocate utility facilities in an urban renewal area and to put the new facilities underground. The reimbursement will be based upon the difference between installing new facilities overhead and installing the facilities underground, which are more expensive.

In the event that the administrators of local development projects are unable to obtain relocation reimbursement funds from the Federal Government, the utility will be reimbursed from increased rates applied to all users.