

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 905

H. P. 761

House of Representatives, February 18, 1981

On Motion of Representative Davies of Orono, referred to the Committee on Public Utilities. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative McHenry of Madawaska.

Cosponsors: Senator Violette of Aroostook, Representative Murphy of Kennebunk and Representative Boisvert of Lewiston.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Create the Maine Energy Authority.

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

35 MRSA Pt. 8 is enacted to read:

PART 8

ELECTRIC POWER

CHAPTER 301

ENERGY AUTHORITY OF MAINE

§ 3441. Energy 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 Energy Authority of Maine with the powers and duties set forth in this chapter.

§ 3442. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. **Authority.** “Authority” means the Energy Authority of Maine created by this chapter or, if the authority is abolished, the board, body, commission or agency succeeding to the principal functions thereof, or upon whom the powers given by this chapter to the authority shall be conferred by law.

2. **Bonds.** “Bonds” or the words “revenue bonds” mean revenue bonds and refunding revenue bonds and notes, certificate of indebtedness or any other evidence of indebtedness issued by the Public Utilities Commission under this chapter.

3. **Cost.** “Cost,” as applied to any project, includes the cost of purchase, construction or other acquisition thereof, acquisition of all land, rights-of-way, property rights, easements and interests acquired by the authority for the construction, landscaping and conservation; demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which the buildings or structures may be moved; 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 authority 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 chapter for engineering, legal or other professional or technical services, reports, studies and data in connection with the construction of a project.

4. **EAM system.** “EAM system” means any or all facilities for the generation, transmission and delivery of electric power and any other energy purchased, constructed and otherwise acquired by the authority pursuant to this chapter and all extensions, improvements and betterments thereof.

5. **Owners.** “Owners” 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 authority by this chapter.

6. **Project.** “Project” means any single facility constituting a part of the EAM’s system, as described in the resolution providing for the construction thereof, including extensions, improvements and betterments thereof.

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

8. **Revenues.** “Revenues” mean any and all fees, tolls, rents, rates, receipts,

moneys and income derived by the authority through the ownership and operation of the EAM system.

9. State. "State" means the State of Maine.

§ 3443. Creation of authority

There is created a public body, corporate and politic, and an agency of the State to be known as the Energy Authority of Maine, consisting of 7 members who are residents of the State; one shall represent a publicly-owned energy utility system, one a cooperatively-owned energy utility system and one a privately-owned energy utility system, and not more than 4 members may belong to any one political party. The members of the authority shall be appointed by the Governor. The members so appointed initially shall be for terms of one, 2, 3, 4, 5, 6 and 7 years from the date of their appointments and until their respective successors are duly appointed and qualified, the term of each member to be designated by the Governor at the time of appointment. Successive 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.

Authority members are eligible for reappointment. The authority so appointed shall enter upon the performance of its duties as soon as practicable after the members thereof are 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 authority. The chairman, or in his absence the vice-chairman, shall preside at all meetings of the authority, and, in the absence of both the chairman and vice-chairman, the authority shall elect a chairman pro tempore who shall preside at the meetings. Four authority members shall constitute a quorum and all action by the authority requires the affirmative vote of a majority of the members. Authority members shall be reimbursed for expenses incurred in attendance upon meetings of the authority or while otherwise engaged in the performance of their duties, and each authority 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. The expenses and compensation shall be paid out of the treasury of the authority in such manner as shall be prescribed by the authority.

§ 3444. Powers of the authority

In order to obtain the benefits and extend the services provided by section 3441 and to otherwise contribute to the economy, industrial and agricultural development and welfare of the State, the authority shall have the following powers:

1. Contracts; seal; bylaws; rules and regulations. To contract and be contracted with; sue and be sued; adopt and use a seal and alter the seal at its pleasure; adopt and amend from time to time bylaws covering proceedings of the authority, and adopt and amend, pursuant to the Maine Administrative

Procedures Act, Title 5, chapter 375, from time to time rules and regulations governing the sale and delivery of all services sold, furnished or supplied by the EAM 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 authority not necessary for its purposes;

4. **Energy 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 authority, 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-owned, cooperatively-owned or privately-owned, and generating or transmission system for any other form of energy, 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 these systems; provided that, in order to ensure environmental protection and conservation of the state's resources, the authority shall insure that the 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 authority to be necessary or convenient to enable the authority to perform the powers conferred upon the authority, provided that the Board of Environmental Protection or its successor shall be the only state board, agency or commission which may require the authority to secure any rulings, licenses, orders or decisions from it before the authority 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, copartnership, association, railroad or any other corporation, or of any municipality, county or other political subdivision as to the property owned by them, whenever the authority cannot agree on the terms of purchases or settlement with the public agencies or other owners because of the incapacity of the owners, or because of the inability to agree on the compensation to be paid or other terms of settlement or purchase, or because the owners are nonresidents of the State, or are unknown, or are unable to convey valid title to the property. The authority shall not have power to condemn any generating, transmission or

distribution facilities of any publicly-owned, cooperatively-owned or privately-owned electric utility system, except easements for rights-of-way for the construction of transmission lines by the authority. Title to property acquired shall be taken in the name of the authority, and the proceedings shall be instituted and conducted in accordance with, and subject to, chapter 263, and the authority shall pay the costs and expenses of the 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 the proceedings were instituted. The acquisition of any property by the authority by condemnation or by the exercise of the power of eminent domain is declared to be for a public use of the 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; 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 energy utility systems, either privately-owned, cooperatively-owned or publicly-owned, within and without the State, provided that the authority shall give prior consideration to furnish the full power requirement of energy utility systems, either privately-owned, cooperatively-owned or publicly-owned, within the State;

8. **Grants or loans.** To apply for and accept grants or loans and the cooperation of the United States 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, construction or acquiring the EAM system and the operation, management and financing thereof, and to do any and all things necessary to obtain that 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 authority;

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 deems necessary or desirable to properly perform the duties imposed on the authority 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 authority may deem necessary or convenient in the exercise of its powers, and the entry shall not be deemed a trespass, nor shall an entry for such purposes be deemed an entry under any condemnation proceedings, provided that the authority shall pay any actual damage resulting to the lands, water and premises as a result of the 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 the 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.

§ 3445. Issuance of revenue bonds

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

The bonds of each issue or series shall be dated, bear interest at such rate or rates as may be determined by the authority, mature at such time or times, not exceeding 50 years from the date or dates thereof, as may be determined by the authority and may contain provisions reserving the right of the authority to redeem such bonds before maturity at such price or prices and upon such terms and conditions as may be fixed by the authority in the resolution authorizing the bonds. Such bonds may be issued in coupon or registered form, or both, as prescribed by the authority 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 authority may determine. The 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 authority, and sealed with the seal of the authority or a facsimile thereof. In case any officer, whose signature or facsimile thereof appears on any bonds or coupons, ceases to be that officer before the delivery of such bonds, the signature or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if that officer or officers had remained in office until the delivery thereof. The authority may sell such bonds in such manner either at public or private sale and for such price or prices as the authority may determine. Prior to the preparation of definitive bonds, the authority may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when the bonds have been executed and are available for delivery. The authority may provide for the replacement of any bonds which are mutilated, 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 authority only and payable solely from the funds provided for the payment thereof from the revenues and other available moneys of the authority.

§ 3446. Rates and charges

Whenever the authority has constructed or otherwise acquired any part of the EAM system and issued revenue bonds for such purposes, the authority 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 authority from the 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 the bonds, together with reserves for those purposes, and to maintain and operate the system and to keep the system in good condition and repair, and for the payment in lieu of taxes provided for in section 3454. The 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 authority in trust for the benefit of the holders of bonds of the authority issued for the construction or acquisition of the EAM system and for the proper maintaining, operating and repairing of the EAM system.

§ 3447. Refunding bonds

The authority 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. The refunding revenue bonds shall be payable solely from all of that portion of the revenues of the EAM system pledged to the payment thereof in the bond resolution pursuant to which the bonds were issued. The refunding revenue bonds may, in the discretion of the authority, 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 authority deems for the best interests of the authority, but no such sale may 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 the 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 authority determines to be in the best interest of the authority. 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 Federal Government pending the application of such proceeds to the purpose for which the refunding revenue

bonds have been issued, and to further secure the refunding revenue bonds the authority may contract with the purchaser thereof with respect to the safekeeping and application of the proceeds thereof and the safekeeping and application of the earnings of the investments. The determination of the authority 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 may require the holders of any outstanding revenue bonds being refunded to accept payment thereof otherwise than as provided in the outstanding revenue bonds.

§ 3448. Trust agreement

In the discretion of the authority, any revenue bonds issued under this chapter may be secured by a trust agreement or indenture by and between the authority 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 authority in such manner as it may elect. The trust agreement or the resolution providing for the issuance of the bonds may pledge or assign all or any portion of the revenues to be received by the authority from the ownership and operation of the EAM system, but shall not convey or mortgage any EAM system or any part thereof. It is 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 authority. 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 authority deems 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 EAM system or portion thereof.

§ 3449. Security for revenue bonds

All or any portion of the revenues derived from the ownership and operation of EAM 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 principal or interest becomes due, and the redemption price or the purchase price of the bonds retired by call or purchase as therein provided. The 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 authority shall immediately be subject to the lien of that 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 authority, irrespective of whether the 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 authority.

§ 3450. Covenants to secure bonds

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

1. **Operation and maintenance.** The operation, maintenance and repair of the EAM system;
2. **Purposes.** The purpose or purposes to which the proceeds of the sale of the bonds may be applied and the use and disposition thereof;
3. **Revenues.** The use and disposition of the revenues of the authority derived from the ownership or operation of the EAM 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 EAM 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 the 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 EAM system;
6. **Commission activities.** The operation, maintenance, repair, management, accounting and auditing of the authority;
7. **Limitations on disposition.** Limitations upon the right of the authority to dispose of the EAM 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 authority from the operation, ownership and management of the EAM system; and
9. **Other covenants.** Such other covenants and agreements as may be determined necessary in the discretion of the authority to advantageously market the revenue bonds of the authority.

§ 3451. Revenue bonds eligible for investment

Revenue bonds issued by the authority 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. These 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.

§ 3452. 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.

§ 3453. 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 authority 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 the holder or holders, and any trustees appointed under the bond resolution and authorized to do so, may, by action, injunction, mandamus or other proceedings issued by a court of competent jurisdiction, enforce any and all rights of the 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 the bond resolutions or indenture by the authority 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 EAM system.

§ 3454. Exemption from taxation

All property, real and personal, and all rights and interests therein, the income of the authority, 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 authority as that principal and interest falls due and the proper costs of maintaining, operating and repairing the EAM system, including reasonable reserves for those purposes, the authority 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 authority, an amount equal to ½ mill per kwh of power and energy sold by the authority during the preceding fiscal year, but not to exceed 10% of the gross revenues received by the authority from the 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 authority, the Treasurer of State shall, from the moneys paid into the General Fund, for as long as the authority is the owner of the property, pay annually to the counties, municipalities and other political subdivisions in which the property is located, sums equal to the amounts which the counties, municipalities and other political subdivisions received from the taxation from the property from the person, firm or corporation owning the property during the year immediately preceding the purchase or acquisition of the property.

§ 3455. Powers of state agencies

Any municipal corporation, county or other political subdivision of the State, and any agency or instrumentality of the State, may enter into and perform contracts or agreements with the authority providing for furnishing to the authority any one or more of the following cooperative undertakings, 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 EAM system and the purchase, sale or exchange of power and energy with that system;

4. Costs. The providing of funds in lump sums or installments to assist in paying the cost of any part of the EAM system or the operation and maintenance thereof; or

5. Land easements, etc. The acquisition and transfer to the authority of land easements, rights-of-way or other property useful in the construction, operation and maintenance of the EAM system.

§ 3456. Consent to use state lands

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

§ 3457. Miscellaneous

1. State Treasury. Any money set aside for the payment of the principal or interest on any revenue bonds issued by the authority, not claimed within 2 years from the day the principal of the bonds is due by maturity or by call for redemption, shall be paid into the State Treasury. No interest may accrue on the principal or interest from the day the principal or interest is due. The State Controller shall keep an account of all money thus paid into the State Treasury, and it shall be paid to the individual, copartnership, association or corporation

entitled thereto upon satisfactory proof that the individual, copartnership, association or corporation is so entitled to that 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 may be filed after 10 years from the date the principal of or interest on the bonds is due, provided that, if the individual having the claim is an infant or insane person or is imprisoned at the due date, the proceedings may be filed within 5 years after the removal of the disability, notwithstanding the fact that the 10-year period has expired.

2. **Venue.** All civil actions and other proceedings against the authority or any other person, firm or corporation, growing out of the construction, maintenance, repair, operation and use of any EAM 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 authority 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 authority, the authority 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 report shall set forth an operating and financial statement covering the authority's operations during the period covered by the report. The authority 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 authority and the cost of the audit 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 authority 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 that the business of the authority is not unduly interrupted or interfered with thereby.

5. **Interest in contracts.** Any member, agent or employee of the authority who contracts with the authority or is interested, either directly or indirectly other than as a holder of a security interest in the contracting corporation, in any contract with the authority or in the sale of any property, either real or personal, to the authority is guilty of a Class D crime. The term "contract" does not 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 authority 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.

§ 3458. 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 authority 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 authority 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.

§ 3459. 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 authority pursuant to this chapter.

STATEMENT OF FACT

The purpose of this bill is to create the Energy Authority of Maine, which will be given authority to purchase energy in any form and to provide that energy either directly or indirectly to the people of Maine. This will encourage industry in the State by making various forms of energy more readily available at a reasonable cost.