

(Filing No. S-424 ) STATE OF MAINE SENATE 112TH LEGISLATURE SECOND REGULAR SESSION COMMITTEE AMENDMENT "A " to S.P. 669, L.D. 1723, Bill, "AN ACT to Make Changes in the Laws Governing Public Utilities." Amend the bill in section 4, in the 9th line from the end (page 3, line 31 in L.D.) by inserting after the underlined word "class" the following: 'and copies shall be sent to the commission at least 14 days prior to the hearings Further amend the bill by striking out all of section 5. Further amend the bill in section 6, by striking out all of the 3rd and 4th paragraphs (page 4, lines 27 to 43 in L.D.) and inserting in their place the following: 'The commission may approve a contract or arrangement undertaken subsequent to the effective date of this Act, subject to such terms and, conditions and requirements as it deems necessary to safeguard the public interest. If such contracts or arrangements

are not consented to or approved by the commission as 26 27 provided in this section, the commission may disal-28 low, for rate-making purposes, payments or such part 29 of any such payments thereunder as the commission finds not to be in the public interest, and the com-mission may, after notice to the affected parties and 30 31 opportunity for hearing, declare that contract or ar-rangement prospectively void. Unless otherwise invalid, that contract or arrangement shall remain in 32 33 34 35 full force and effect until declared prospectively 36 void and of no further effect by an effective final 37 order of the commission issued under this section no 38 later than 90 days from the date of service of the

L.D. 1723

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1 notice.

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The commission shall, in the case of any utility or groups of utilities, have the power to exempt herefrom, from time to time, such classes of transactions as it may specify by rule or regulation order in advance and which in its judgment will not be adverse to the public interest.' · · \_

8 Further amend the bill by striking out all of 9 sections 7, 8 and 9 and inserting in their place the 10 following:

11 'Sec. 7. 35 MRSA §175 is enacted to read:

12 §175. Approval of capital leases

No capital lease, entered into by a public utility for a term of more than 3 years, of property having a fair value the greater of \$50,000 or 1% of the public utility's total long-term debt is valid without the written approval of the commission. The commission's procedure and standards governing approval shall be similar to those which apply to applications under section 171.

21 Sec. 8. 35 MRSA §292, as amended by PL 1983, c.
22 141, §2, is repealed and the following enacted in its
23 place:

24 §292. Notice of complaint

25 The commission, immediately upon the filing of a complaint, shall notify in writing the public utility 26 27 complained of that a complaint has been made and of 28 the nature of the complaint. The utility shall file its response to the complaint within 10 days of the 29 30 date the notice of complaint is issued. After re-31 ceipt of the response, if the commission is satisfied 32 that the utility has taken adequate steps to remove 33 the cause of the complaint or that the complaint is Ιf 34 without merit, the complaint may be dismissed.

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the complaint is not dismissed, the commission shall promptly set a date for a public hearing. The com-1 2 3 mission may allow for all parties to attempt to re-4 solve the complaint to their mutual satisfaction. If 5 a mutually satisfactory resolution does not appear to be forthcoming, the hearing shall be held on the com-plaint pursuant to section 293. In the absence of an 6 7 informal disposition pursuant to Title 5, section 8 9 9053, the commission shall render a decision upon the complaint no later than 9 months after its filing. 10

11 Further amend the bill in section 10, in that part designated "§355." in the first paragraph, in 12 the 2nd line (page 6, line 26 in L.D.) by inserting after the word "shall" the underlined word 13 14 'knowingly' and in the 4th line (page 6, line 28 15 in L.D.) by inserting after the word "shall" the under-16 17 lined word 'knowingly' and in the 3rd line from the (page 6, line 32 in L.D.) by inserting after the 18 end underlined figure "500" and before the underlined 19 "or by" the following: 'nor more than \$10,000' 20 words

21 Further amend the bill by striking out all of 22 sections 13 and 15.

Further amend the bill by renumbering the sections to read consecutively.

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## STATEMENT OF FACT

The amendment adds a requirement in section 4 that when municipal and quasi-municipal water utilities set rates locally, copies of the hearing notice shall be sent to the Public Utilities Commission 14 days in advance.

31 The amendment deletes sections 5, 13 and 15 which 32 deal with the contingency fund for water utilities 33 because that is covered in L.D. 1674.

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1 The amendment modifies section 6, which makes 2 contracts with affiliated interests void unless ap-3 proved by the Public Utilities Commission, so that a 4 hearing will be required and the voiding will be pro-5 spective.

6 The amendment deletes section 7 which would have 7 substituted state for federal regulation of certain 8 short-term debt.

9 The amendment provides a threshold of the greater 10 of \$50,000 or 1% of the long-term debt for Public 11 Utilities Commission approval of leases and restricts 12 the provision to capital leases.

13 The amendment adds to the bill a requirement that 14 a hearing date be set if the complaint is not dis-15 missed and that the hearing actually be held if an 16 informal resolution does not appear to be forthcom-17 ing.

18 The amendment retains from the bill the option of 19 a fine instead of imprisonment, but also places an 20 upper limit on the fine of \$10,000 and limits the of-21 fense to knowingly illegal issue of securities or 22 misappropriation of proceeds.

23 The amendment deletes section 13 as discussed un-24 der section 5.

The amendment retains section 14. It is understood that the Public Utilities Commission will continue to include in its annual report to the Legislature a report on decommissioning filing fees.

29 The amendment deletes section 15 as discussed un-30 der section 5.

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Reported by Sen.Baldacci for the Committee on Utilities. Reproduced and Distributed Pursuant to Senate Rule 12.

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