

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 1937

6
7 H.P. 1373 House of Representatives, January 22, 1986
8 Submitted by the Public Utilities Commission pursuant to Joint Rule 24.
Reference to the Committee on Utilities suggested and ordered printed.

9 EDWIN H. PERT, Clerk

10 Presented by Representative Nadeau of Lewiston.

Cosponsored by Representative Murray of Bangor, Representative
Cashman of Old Town and Representative Lisnik of Presque Isle.

11
12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-SIX
16

17 AN ACT to Require Public Utilities Commission
18 Approval of Agreements for Joint
19 Planning and Operation of Electric
20 Public Utility Systems.
21

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

24 Sec. 1. 35 MRSA §13-A, as amended by PL 1983, c.
25 237, is further amended by adding at the end a new
26 paragraph to read:

27 This section applies to any amendment, extension
28 or renewal of any contract between the utility and
29 other parties governing their participation in an
30 erection of a generation or transmission facility
31 subject to this section, whether or not the original
32 contract was approved by the commission. The commis-
33 sion may provide for expedited consideration of any
34 amendment, extension or renewal which does not have a
35 significant impact.

1 Sec. 2. 35 MRSA §13-B, as amended by PL 1983, c.
2 443, is further amended by adding at the end a new
3 paragraph to read:

4 This section applies to any amendment, extension
5 or renewal of any contract between the utility and
6 other parties governing their participation in a pur-
7 chase or conversion subject to this section, whether
8 or not the original contract was approved by the com-
9 mission. The commission may provide for expedited
10 consideration of any amendment, extension or renewal
11 which does not have a significant impact.

12 Sec. 3. 35 MRSA §13-D is enacted to read:

13 §13-D. Agreements relating to joint planning and op-
14 eration of electric utility systems prohib-
15 ited without prior order of the commission

16 1. Approval of agreements. Except as provided
17 in subsection 4, commission approval is required
18 whenever any electrical company proposes to enter in-
19 to any agreement covered by this section. No elec-
20 trical company may enter into any agreement, as de-
21 finied in subsection 3, unless the commission has is-
22 ssued an order approving the agreement. The company
23 shall file with the commission, no less than 2 months
24 in advance of submitting its petition for approval of
25 the proposed agreement, a notice of its intent to
26 file the petition. The commission may waive all or
27 part of the 2 months' advance notice. The notice
28 shall inform the commission of the terms of the pro-
29 posed agreement and the commission may require the
30 petitioner to make available such additional informa-
31 tion as it deems necessary. The petition shall con-
32 tain such information as the commission may by rule
33 prescribe. The petition shall be set down for public
34 hearing. The commission shall issue its order within
35 12 months after the complete petition is filed. In
36 its order, the commission shall make specific find-
37 ings with regard to whether a need for the agreement
38 exists in order for the utility to furnish safe, rea-
39 sonable and adequate service at reasonable rates. If
40 the commission finds the need to exist, it shall is-
41 sue an order approving the agreement. The approval
42 of an agreement establishes that, as of the date of
43 the approval, the decision by the utility to enter
44 into the agreement was prudent.

1 2. Review of existing agreements. The commis-
2 sion may review the reasonableness of an existing
3 agreement under the same criteria as subsection 1
4 and, upon a finding that the agreement is not in the
5 public interest, may order a utility to exercise its
6 right to terminate its participation in the agree-
7 ment.

8 3. Definitions. As used in this section, unless
9 the context indicates otherwise, the following terms
10 have the following meanings.

11 A. "Agreement" means any contract or agreement
12 which binds an electric company to a future
13 course of action with one or more other electric
14 utilities with respect to the joint planning and
15 operation of electric generating and transmission
16 facilities, including planning for construction
17 of facilities, dispatch of generating units and
18 setting of capacity requirements.

19 4. Exclusions. This section does not apply to
20 any agreement for which commission approval is re-
21 quired under section 13-A or 13-B. Other than as
22 provided in subsection 2, this section does not apply
23 to any agreement which was in force prior to January
24 1, 1987, but this section applies to the renewal,
25 amendment or extension on or after January 1, 1987,
26 of those preexisting agreements.

27 5. Filing fee. When the petition is filed, the
28 utility or utilities involved shall pay to the Public
29 Utilities Commission \$50,000. The utility or utili-
30 ties may, at or before the time of filing of notice
31 of its intent to file the petition, request the com-
32 mission to waive all or a portion of the filing fee.
33 The commission shall rule on the request for waiver
34 within 60 days. Notwithstanding any other provision
35 of law, filing fees paid as required in this subsec-
36 tion shall be segregated, apportioned and expended by
37 the commission for the purposes of this section. Any
38 portion of the filing fee that is received from a
39 utility or utilities and is not expended by the com-
40 mission to process the petition for a certificate of
41 public convenience and necessity shall be returned to
42 the utility or utilities.

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STATEMENT OF FACT

2 The Maine Revised Statutes, Title 35, sections
3 13-A and 13-B, require the Public Utilities Commis-
4 sion's approval for most major initiatives regarding
5 electrical generation and transmission, including
6 construction of power plants of a capacity greater
7 than 1,000 kilowatts either inside or outside the
8 State or purchase of 1,000 kilowatt interest in such
9 a capacity in the State, and construction of major
10 high voltage transmission lines. This bill requires
11 Public Utilities Commission approval for agreements
12 for joint planning and operation of the electric sys-
13 tems of Maine electric utilities with other electric
14 utilities, including the so-called New England Power
15 Pool or "NEPOOL" agreement.

16 Sections 1 and 2 of the bill add the requirement
17 of commission approval of amendments, renewals and
18 extensions of contracts among participants to a
19 project, where the original contract would have been
20 subject to review under the Maine Revised Statutes,
21 Title 35, sections 13-A and 13-B.

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