

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 180

H.P. 139 House of Representatives, February 3, 1987
Reference to the Committee on Utilities suggested and
ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative ALLEN of Washington.
Cosponsored by Representatives HOLT of Bath, NICHOLSON of
South Portland and Senator ERWIN of Oxford.

STATE OF MAINE

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

1 AN ACT Concerning Public Utilities Commission
2 Approval of Transfer of Utility
3 Property.
4

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

7 35 MRSA §211, as amended by PL 1981, c. 469, §16,
8 is further amended to read:

9 §211. Authorization required

10 Any public utility may sell, lease, assign, mort-
11 gage or otherwise dispose of or encumber the whole or
12 any part of its property necessary or useful in the
13 performance of its duties to the public, or any part
14 of its property under construction for the perform-
15 ance of its duties to the public, or any franchise or

1 permit or any right thereunder, or by any means what-
2 soever, direct or indirect, merge or consolidate its
3 property, franchises or permits, or any part thereof,
4 with any other public utility when, and not other-
5 wise, it shall have first secured from the commission
6 an order authorizing it to do so. Every such sale,
7 lease, assignment, mortgage, disposition, encum-
8 brance, merger or consolidation made other than in
9 accordance with the order of the commission authoriz-
10 ing the same shall be void. The sale, lease, assign-
11 ment, mortgage or other disposition or encumbrance of
12 a franchise or permit under this section shall not be
13 construed to revive or validate any lapsed or invalid
14 franchise or permit or to enlarge or add to the pow-
15 ers or privileges contained in the grant of any fran-
16 chise or permit or to waive any forfeiture. Nothing
17 in this section contained ~~shall~~ may be construed to
18 prevent the sale, lease or other disposition by any
19 public utility of property which is not necessary or
20 useful in the performance of its duties to the pub-
21 lic, and any sale of its property by such public
22 utility shall be conclusively presumed to have been
23 of property which is not necessary or useful in the
24 performance of its duties to the public, as to any
25 purchaser of such property in good faith for value.
26 Nothing in this section ~~shall~~ may apply to property,
27 franchises, permits or rights of any utility owned
28 and operated exclusively outside this State, unless
29 the property, franchise, permits or rights are owned,
30 operated or under construction with respect to the
31 performance of the utility's duties to the public in-
32 side this State. No public utility ~~shall~~ may purchase
33 or acquire, take or hold any part of the capital
34 stock of any other public utility organized or exist-
35 ing under or by virtue of the laws of this State
36 without having been first authorized to do so by the
37 commission. Every assignment, transfer, contract or
38 agreement for assignment or transfer of any stock by
39 or through any person or corporation to any corpora-
40 tion or otherwise in violation of any of the provi-
41 sions of this section shall be void and of no effect;
42 and no such transfer ~~shall~~ may be made on the books
43 of any public utility. Nothing herein contained ~~shall~~
44 may be construed to prevent the holding of stock
45 heretofore lawfully acquired or to prevent the ac-
46 quiring of additional stock by a public utility which
47 now owns a majority of the stock of such other utili-
48 ty.

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STATEMENT OF FACT

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This bill amends the current law which requires the Public Utilities Commission's approval of a utility's transfer of its property necessary or useful in serving the public. The bill makes it clear that such approval is required for property under construction and property located outside Maine for serving Maine customers.

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