

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 43

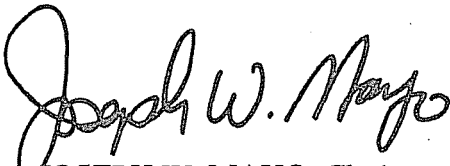
H.P. 35

House of Representatives, January 12, 1993

An Act to Promote the Location of a Federal Department of Defense Facility in Penobscot County.

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 27. Reference to the Committee on Utilities suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Speaker MARTIN of Eagle Lake.

Cosponsored by Senator BALDACCI of Penobscot, Representatives AHEARNE of Madawaska, ALIBERTI of Lewiston, BAILEY of Township 27, BARTH of Bethel, BEAM of Lewiston, CAMPBELL of Holden, CARR of Sanford, CASHMAN of Old Town, CATHCART of Orono, CHONKO of Topsham, CLARK of Millinocket, CLEMENT of Clinton, CLOUTIER of South Portland, COFFMAN of Old Town, COTE of Auburn, DONNELLY of Presque Isle, DORE of Auburn, DRISCOLL of Calais, ERWIN of Rumford, FAIRCLOTH of Bangor, FARNUM of South Berwick, GEAN of Alfred, GOULD of Greenville, GWADOSKY of Fairfield, HALE of Sanford, HATCH of Skowhegan, HEINO of Boothbay, HICHBORN of Howland, HOGLUND of Portland, HUSSEY of Milo, JACQUES of Waterville, JALBERT of Lisbon, JOHNSON of South Portland, LARRIVEE of Gorham, LEMKE of Westbrook, LIBBY of Kennebunk, LIBBY of Buxton, LINDAHL of Northport, LIPMAN of Augusta, LORD of Waterboro, MARSH of West Gardiner, MARTIN of Van Buren, MELENDY of Rockland, MICHAUD of East Millinocket, MORRISON of Bangor, O'GARA of Westbrook, OLIVER of Portland, PARADIS of Augusta, PINETTE of Fort Kent, PLOWMAN of Hampden, POULIOT

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of Lewiston, REED of Dexter, RICHARDSON of Portland, ROTONDI of Athens, ROWE of Portland, RUHLIN of Brewer, SAXL of Bangor, SIMONDS of Cape Elizabeth, SIMONEAU of Thomaston, STROUT of Corinth, SULLIVAN of Bangor, SWAZEY of Bucksport, TARDY of Palmyra, TAYLOR of Cumberland, TOWNSEND of Eastport, TRACY of Rome, TRUE of Fryeburg, TUFTS of Stockton Springs, WALKER of Blue Hill, WHITCOMB of Waldo, WINN of Glenburn, YOUNG of Limestone, ZIRNKILTON of Mount Desert, Senators AMERO of Cumberland, BEGLEY of Lincoln, BRANNIGAN of Cumberland, BUSTIN of Kennebec, CAHILL of Sagadahoc, CAREY of Kennebec, CARPENTER of York, CIANCHETTE of Somerset, CONLEY of Cumberland, DUTREMBLE of York, ESTY of Cumberland, FOSTER of Hancock, GOULD of Waldo, HALL of Piscataquis, HANDY of Androscoggin, HARRIMAN of Cumberland, LAWRENCE of York, MARDEN of Kennebec, O'DEA of Penobscot, PARADIS of Aroostook, PEARSON of Penobscot, PINGREE of Knox, SUMMERS of Cumberland, TITCOMB of Cumberland, VOSE of Washington.

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

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Sec. 1. Purpose. The Legislature finds that current economic conditions in the State justify extraordinary efforts to create opportunities for long-term economic growth, employment and the expansion of the state and local tax base. The consideration of a location within the State by the federal Department of Defense for a regional accounting facility also justifies extraordinary efforts on behalf of the State's citizens.

The Legislature finds that it is the proper role of the State, for the benefit of its people, to facilitate as much as practicable the selection of Bangor, Maine as a location for a regional accounting facility in view of the long-term benefits of permanent jobs and associated economic effects for 4,000 or more citizens. In view of these benefits, the Legislature recognizes the value of certain exceptions to traditional procedures for setting utility rates, for allocating low-cost finance resources and other matters.

The Legislature finds it necessary and desirable to facilitate the location of a federal Department of Defense accounting facility in Penobscot County by specifying a rate to be charged for the electricity consumed at this facility over its full operating life. The Legislature finds that the job development rate for the defense facility, set forth in section 2, will serve an essential public purpose and is essential to the welfare of the State and its inhabitants.

Sec. 2. Job development rate for defense facility. Notwithstanding any other provision of law, or current energy policy of the State, the Legislature approves the sale of electricity to a federal Department of Defense accounting facility in Penobscot County at the following rate of service.

Bangor Hydro-Electric Company's primary power rate, Rate Class D-4, as in effect on January 1, 1993, must have a 25% discount applied on all components and the result must be escalated annually according to the Consumer Price Index - All Urban Consumers, as determined by the federal Department of Commerce, Bureau of Economic Analysis or by any successor bureau of the Federal Government. This rate is known as the job development rate. In the event that the job development rate is less than Bangor Hydro-Electric Company's long-run marginal cost of providing service, as determined by the state Public Utilities Commission, the rate charged must be equal to that marginal cost plus 1¢ per kilowatt hour. In the event that the job development rate is greater than Bangor Hydro-Electric Company's actual primary power rate or such successor rate as would otherwise be applicable, then the rate charged must be that otherwise

2 applicable rate. In the event that both conditions described
3 exist, that is, the job development rate is less than the
4 company's marginal cost but greater than the otherwise applicable
5 rate, the rate charged must be the otherwise applicable rate.

6 The job development rate takes effect upon selection of the
7 Penobscot County location by the federal Department of Defense
8 and remains in effect for 30 years.

10 **Sec. 3. Efficiency investments.** The design and operation of
11 heating, ventilation and lighting systems for the proposed
12 facility must be undertaken in a manner, as much as may be
13 practicable, that limits the need for new generation or
14 transmission capacity.

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18 **STATEMENT OF FACT**

20 By creating a job development rate, this bill assists in the
21 process of securing the selection of a Bangor location as one of
22 several federal Department of Defense accounting facilities
23 currently under consideration. The state of the State's economy
24 justifies the extraordinary step of creating a legislatively
25 established electric rate that will help secure the long-term
26 benefits of new employment, growth in the tax base and spin-off
economic effects.