

# MAINE STATE LEGISLATURE

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# 117th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1995

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Legislative Document

No. 1502

H.P. 1067

House of Representatives, May 4, 1995

**An Act Concerning Municipal Electric Districts and the Development of  
a Competitive Energy Market.**

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Reference to the Committee on Utilities and Energy suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative SAMSON of Jay.

Cosponsored by Representatives: BERRY of Livermore, CAMERON of Rumford, CHASE of China, CHICK of Lebanon, JACQUES of Waterville, JONES of Bar Harbor, KONTOS of Windham, LEMAIRE of Lewiston, MARTIN of Eagle Lake, PENDLETON of Scarborough, TYLER of Windham, VIGUE of Winslow, VOLENIK of Sedgwick, Senator: ESTY of Cumberland.

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

4 **Sec. 1. 35-A MRSA §3192 is enacted to read:**

6 **§3192. Competitive energy alternatives policy**

8 The Legislature finds that it is in the best interests of  
10 the State to ensure that a competitive market in the provision of  
12 electric energy exists. The Legislature further finds that a  
14 competitive energy market will increase alternatives available to  
16 consumers, decrease the cost of energy and improve the quality of  
18 electric energy services. It is the policy of this State that in  
20 order to encourage a competitive market, all consumers of  
22 electric energy in this State must have the right to full, open  
24 and unencumbered access to alternative sources of electric energy  
on a free-market basis, including, but not limited to, the  
purchase of electricity from a municipal power district. The  
Public Utilities Commission is directed to give explicit  
consideration and substantial weight to this policy in its  
decisions involving competitive alternatives, including requests  
for approval under section 2102. In its order in any such  
proceeding, the commission shall explain expressly the manner in  
which its decision promotes the policy of the State as set forth  
in this section.

26 **Sec. 2. 35-A MRSA §3903, sub-§4, as enacted by PL 1987, c.**  
28 **141, Pt. A, §6, is amended to read:**

30 **4. Favorable vote.** If a majority of the legal votes cast  
32 on this question favor incorporation, a municipal power district  
34 may be created for that municipality under this chapter upon  
36 declaration of the vote by the municipal officers, provided that  
38 the total number of votes cast for and against the incorporation  
40 equals or exceeds 40% of the total votes cast in that  
42 municipality for all candidates for Governor at the previous  
44 gubernatorial election. If not, the proposed district is not  
created at that time. Upon certification of a favorable vote by  
the municipal officers, the commission shall approve formation of  
the district ~~if the commission finds that formation would be in~~  
~~conformance with the requirements of this Title. Upon approval~~  
~~by the commission, the district is created and the commission~~  
~~shall file certification of that approval with the Secretary of~~  
~~State.~~

46 **Sec. 3. 35-A MRSA §3904, sub-§4, as enacted by PL 1987, c.**  
48 **141, Pt. A, §6, is amended to read:**

50 **4. Favorable vote.** If, in each municipality, a majority of  
the legal votes cast on this question favor incorporation, a  
municipal power district may be created for those municipalities

2 under this chapter upon declaration of the vote of the municipal  
3 officers, provided that the total number of votes cast in each  
4 municipality for and against the incorporation equals or exceeds  
5 40% of the total votes cast in the municipality for all  
6 candidates for Governor at the previous gubernatorial election.  
7 Upon certification of a favorable vote by the municipal officers,  
8 the commission shall approve formation of the district ~~if--the~~  
9 ~~commission-finds-that-formation-would-be-in-conformance-with-the~~  
10 ~~requirements-of-this-Title. Upon-approval-by-the-commission,-the~~  
11 ~~district-is-created-and-the-commission-shall-file-certification~~  
12 ~~of-that-approval-with-the-Secretary-of-State.~~

### 14 **STATEMENT OF FACT**

16  
17 This bill makes clear that the Public Utilities Commission  
18 must approve the formation of a new municipal utility district  
19 upon the favorable vote of a majority of the municipalities'  
20 voters.

22 The bill also establishes the policy of this State to  
23 encourage a free and competitive market for electrical energy,  
24 requires the Public Utilities Commission to give explicit  
25 consideration and weight to this policy in its decisions, and  
26 requires the commission to explain how its decisions promote this  
policy.