

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1998

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Legislative Document

No. 2076

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H.P. 1477

House of Representatives, January 20, 1998

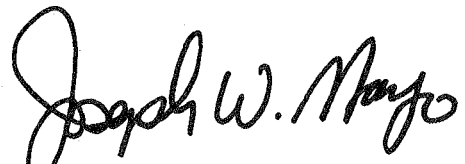
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**An Act to Require All Regulated Public Utilities to Report to the Public Utilities Commission the Sale, Lease or Other Transfer of Assets Paid for by Ratepayers.**

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

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

  
JOSEPH W. MAYO, Clerk

Presented by Representative O'NEAL of Limestone.  
Cosponsored by Senator CAREY of Kennebec and  
Representatives: BAGLEY of Machias, BUNKER of Kossuth Township, COWGER of  
Hallowell, GIERINGER of Portland, LaVERDIERE of Wilton, RINES of Wiscasset,  
WHEELER of Bridgewater, Senator: KILKELLY of Lincoln.

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

2  
4 Sec. 1. 35-A MRSA §1102-A is enacted to read:

6 §1102-A. Notice, audit and examination required

8 1. Applicability. This section applies to any sale, lease  
10 or other transfer of any right, title or interest in the whole or  
12 any part of the tangible or intangible property of any public  
14 utility to the extent that the property was acquired, maintained,  
16 operated or managed with the support of funds or other resources  
18 derived or arising from the operation or revenues of the utility  
20 in providing service to the public.

22 2. Notification of transfers. A public utility shall give  
24 written notice to the commission of every transfer of property  
26 described in subsection 1. The commission shall adopt by rule a  
28 schedule and other provisions governing the content and filing of  
30 written notice. Rules adopted pursuant to this subsection are  
32 routine technical rules as defined in Title 5, chapter 375,  
34 subchapter II-A.

36 3. Investigation and audit. Prior to rendering any final  
38 decision allowing any public utility to recover stranded costs,  
40 the commission shall:

42 A. Investigate and determine the date, amount and other  
44 relevant circumstances of any transfer of property described  
46 in subsection 1 occurring after December 31, 1989; and

48 B. Adopt findings of fact that it has investigated the  
nature and amount of all transfers of property described in  
subsection 1 occurring after December 31, 1989 and that the  
total economic value of those transfers has been applied as  
an offset to the amount of stranded costs that the utility  
is otherwise entitled to recover. Adoption of findings of  
fact pursuant to this paragraph constitutes final agency  
action within the meaning of Title 5, chapter 375.

SUMMARY

This bill requires the Public Utilities Commission to establish by rule a mechanism for public utilities to report any future transfers of property that has benefited from ratepayer funding in order that the value of these assets may be taken into account in determinations of stranded cost recovery by the commission including determinations that will be made in the electric utility restructuring process.

2           The bill requires that the commission use its investigatory  
authority to determine the amount and circumstances of all  
4 similar transfers that have occurred since the beginning of 1990  
in order that they can be taken into account in determining  
6 stranded costs. The bill requires that the commission make  
specific findings concerning its investigation in any order  
8 allowing recovery of stranded costs.