

MAINE STATE LEGISLATURE

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MAJORITY
UTILITIES AND ENERGY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
118TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1611, L.D. 2237, "Resolve, Regarding Legislative Review of Chapter 820: Requirements for Non-Core Utility Activities and Transactions Between Affiliates, a Major Substantive Rule of the Public Utilities Commission"

Amend the resolve by striking out all of section 1 and inserting in its place the following:

Sec. 1. Adoption with amendment. Resolved: That the final adoption of Chapter 820: Requirements for Non-Core Utility Activities and Transactions Between Affiliates, a provisionally adopted major substantive rule of the Public Utilities Commission and submitted for review pursuant to the Maine Administrative Procedure Act, is authorized only if the rule is amended as follows:

1. Provisions relating to the calculation of the value of good will used by an affiliate are modified:

A. To require the Public Utilities Commission to establish for an initial 3-year period an annual amount that must be paid by the affiliate for the use of good will;

B. To require the Public Utilities Commission to reexamine the value of the good will at the end of the initial 3-year period and establish an amount that must be paid by the affiliate for the use of good will for the next 3 years; and

C. To establish that the value of good will used by an affiliate at the end of the 6 years is zero; and

COMMITTEE AMENDMENT

2 2. Provisions relating to limitations on investments by
3 utilities in affiliates are modified:

4
5 A. To allow investments by a utility in a regulated
6 affiliate if the utility has not obtained an investment
7 grade bond rating or has filed for a temporary rate increase
8 within 6 months of the utility's filing for approval of the
9 investment, if the utility obtains approval pursuant to the
10 Maine Revised Statutes, Title 35-A, sections 707 and 708, as
11 applicable; and

12
13 B. To allow utilities whose bonds are neither publicly
14 rated nor rated by a private letter bond rating to make
15 investments in affiliates if approved by the Public
16 Utilities Commission pursuant to the Maine Revised Statutes,
17 Title 35-A, section 707 and 708, as applicable.

18
19 The Public Utilities Commission is not required to hold
20 hearings or conduct other formal proceedings prior to finally
21 adopting the rule in accordance with this resolve.'

22
23
24 **SUMMARY**

25
26 This amendment, which is the majority report of the Joint
27 Standing Committee on Utilities and Energy, authorizes the Public
28 Utilities Commission to finally adopt its rule, Chapter 820:
29 Requirements for Non-Core Utility Activities and Transactions
30 Between Affiliates rule, provided that the rule is amended as
31 follows:

32
33 1. Provisions relating to the calculation of the value of
34 good will used by an affiliate are modified to require the Public
35 Utilities Commission to establish for an initial 3-year period an
36 annual amount that must be paid by the affiliate for the use of
37 good will; to require the Public Utilities Commission to
38 reexamine the value of the good will at the end of the initial
39 3-year period and establish an amount that must be paid by the
40 affiliate for the use of good will for the next 3 years; and, at
41 the end of 6 years, to establish that the value of good will is
42 zero; and

43
44 2. Provisions relating to limitations on investments by
45 utilities in affiliates are modified to allow investments by a
46 utility in a regulated affiliate if the utility has not obtained
47 an investment grade bond rating or has filed for a temporary rate
48 increase within 6 months of the utility's filing for approval of
49 the investment, if the utility obtains approval pursuant to the
50 Maine Revised Statutes, Title 35-A, sections 707 and 708; and

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2 allow utilities whose bonds are neither publicly rated nor rated
by a private letter bond rating to make investments in affiliates
if approved by the Public Utilities Commission pursuant to the
4 Maine Revised Statutes, Title 35-A, section 707 and 708.

COMMITTEE AMENDMENT