

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

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Legislative Document

No. 661

S.P. 239

In Senate, January 26, 1999

**An Act Regarding the Unbundling of Natural Gas Services.**

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator CAREY of Kennebec.

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

2  
3           **Sec. 1. 35-A MRSA §102, sub-§7-A** is enacted to read:

4           **7-A. Gas marketer.** "Gas marketer" means an entity that  
5 sells natural gas to retail consumers in the State.

6  
7           **Sec. 2. 35-A MRSA §102, sub-§8**, as amended by PL 1993, c. 178,  
8 §1, is further amended to read:

9  
10           **8. Gas utility.** "Gas utility" includes every person, that  
11 person's lessees, trustees, receivers or trustees appointed by  
12 any court owning, controlling, operating or managing any gas  
13 plant for compensation within this State, except when gas is made  
14 or produced on and distributed by the maker or producer through  
15 private property alone solely for its own tenants and not for  
16 sale to others, or when the gas is sold solely for use in  
17 vehicles fueled by natural gas or when the gas is sold in liquid  
18 form in individual containers or is delivered in bulk in liquid  
19 form to a central tank that serves less fewer than 10 customers  
20 and no portion of which is located in a public place. "Gas  
21 utility" does not include a gas marketer whose business in the  
22 State is restricted to selling natural gas to retail consumers  
23 and who does not provide natural gas transmission or distribution  
24 service.

25  
26           **Sec. 3. 35-A MRSA §§4708 and 4709** are enacted to read:

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28           **§4708. Gas marketer registration**

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30           **1. Registration required.** Unless registered with the  
31 commission under this section, a gas marketer may not contract or  
32 attempt to contract with any retail natural gas consumer in this  
33 State to provide natural gas supply service.

34  
35           **2. Required information.** A gas marketer registering under  
36 this section shall provide:

37           **A.** The name, mailing address and phone number of the gas  
38 marketer; and

39           **B.** The name, mailing address and phone number of a contact  
40 person who is knowledgeable regarding the gas marketer's  
41 activities in the State.

42  
43           A gas marketer registered under this section shall promptly  
44 provide the commission with any additional relevant information  
45 requested by the commission, including, but not limited to,  
46 copies of any contracts for retail natural gas supply service.  
47 The commission shall provide for appropriate confidentiality  
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2 protection as necessary for any information provided under this  
3 section.

4 3. Contracts void. Any contract for retail natural gas  
5 supply service entered into after the effective date of this  
6 section by a gas marketer that is not registered with the  
7 commission under this section is deemed void.

8 **§4709. Natural gas unbundling**

10 1. Commission rulemaking. In order to foster the  
11 unbundling of natural gas services and the development of a  
12 competitive natural gas supply market in the State, the  
13 commission shall consider the need for and may adopt rules in the  
14 following areas:

15 A. The need to license gas marketers;

17 B. The need for a code of conduct governing the  
18 relationship between a gas utility and an affiliated gas  
19 marketer to prevent the affiliated gas marketer's exercise  
20 of market power and to ensure fair competition among all gas  
21 marketers;

23 C. The need for regulations to protect consumers from  
24 abusive practices by gas marketers;

25 D. The need for a process to determine a default natural  
26 gas provider for natural gas consumers who do not choose a  
27 gas marketer; and

28 E. Any other subject of natural gas unbundling that  
29 requires additional regulation.

30 2. Major substantive rules. Rules adopted under this  
31 section are major substantive rules pursuant to Title 5, chapter  
32 375, subchapter II-A.

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35 **SUMMARY**

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42 This bill requires any entity that sells or attempts to sell  
43 natural gas supply service to retail customers in the State to  
44 register with the Public Utilities Commission. It also specifies  
45 that an entity that is only active in the natural gas supply  
46 market, but does not provide other services associated with an  
47 integrated natural gas utility, is not considered a gas utility  
48 and thereby subject to commission regulation as a gas utility.  
The bill also directs the commission to consider the need to

2        adopt rules governing the unbundling of natural gas services and  
         authorizes their adoption as major substantive rules.