

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

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Legislative Document

No. 710

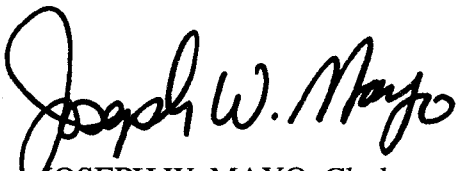
H.P. 503

House of Representatives, January 26, 1999

**An Act Regarding Criteria for Approval of a Public Utility  
Reorganization by the Public Utilities Commission.**

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

  
JOSEPH W. MAYO, Clerk

Presented by Representative McNEIL of Rockland.  
Cosponsored by Senator PINGREE of Knox and  
Representatives: BERRY of Belmont, JOY of Crystal, ROSEN of Bucksport, Senator  
CAREY of Kennebec.

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

2  
3       **Sec. 1. 35-A MRSA §708, sub-§2, ¶A**, as enacted by PL 1987, c.  
4 141, Pt. A, §6, is amended to read:

6       A. Unless exempted by rule or order of the commission, no  
7 reorganization may take place without the approval of the  
8 commission. No reorganization may be approved by the  
9 commission unless it is established by the applicant for  
10 approval that the reorganization is consistent with the  
11 interests of the utility's ratepayers and investors and that  
12 any benefits derived from the reorganization, financial or  
13 otherwise, will be shared equally between the company's  
14 ratepayers and investors. The commission shall rule upon  
15 all requests for approval of a reorganization within 60 days  
16 of the filing of the request for approval. If it determines  
17 that the necessary investigation ~~cannot~~ can not be concluded  
18 within 60 days, the commission may extend the period for a  
19 further period of no more than 120 days. In granting its  
20 approval, the commission shall impose such terms, conditions  
21 or requirements as, in its judgment, are necessary to  
22 protect the interests of ratepayers. These conditions shall  
23 must include provisions ~~which--assure~~ that ensure the  
24 following:

26           (1) That the commission has reasonable access to  
27 books, records, documents and other information  
28 relating to the utility or any of its affiliates,  
29 except that the Public Utilities Commission may not  
30 have access to trade secrets unless it is essential to  
31 the protection of the interests of ratepayers or  
32 investors. The commission shall afford trade secrets  
33 and other information such protection from public  
34 disclosure as is provided in the Maine Rules of Civil  
35 Procedure;

36           (2) That the commission has all reasonable powers to  
37 detect, identify, review and approve or disapprove all  
38 transactions between affiliated interests;

39           (3) That the utility's ability to attract capital on  
40 reasonable terms, including the maintenance of a  
41 reasonable capital structure, is not impaired;

42           (4) That the ability of the utility to provide safe,  
43 reasonable and adequate service is not impaired;

44           (5) That the utility continues to be subject to  
45 applicable laws, principles and rules governing the  
46 regulation of public utilities;

- 2 (6) That the utility's credit is not impaired or  
adversely affected;
- 4 (7) That reasonable limitations be are imposed upon  
6 the total level of investment in nonutility business,  
except that the commission may not approve or  
8 disapprove of the nature of the nonutility business;
- 10 (8) That the commission has reasonable remedial power  
including, but not limited to, the power, after notice  
12 to the utility and all affiliated entities of the  
issues to be determined and the opportunity for an  
14 adjudicatory proceeding, to order divestiture of or by  
the utility in the event that divestiture is necessary  
16 to protect the interest of the utility, ratepayers or  
investors. A divestiture order ~~shall~~ must provide a  
18 reasonable period within which the divestiture ~~shall~~  
must be completed; and
- 20 (9) That neither ratepayers nor investors are  
22 adversely affected by the reorganization.

24 **SUMMARY**

26 This bill provides that no reorganization by a public  
utility may be approved by the Public Utilities Commission unless  
28 it is established by the applicant for approval that the  
reorganization is consistent with the interests of the utility's  
30 ratepayers and investors and that any benefits derived from the  
reorganization, financial or otherwise, will be shared equally  
32 between the company's ratepayers and investors.