

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 1456

H.P. 1034

House of Representatives, February 23, 1999

An Act to Establish the Northern Maine Transmission Corporation.

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 O'NEAL of Limestone.
Cosponsored by Representatives: AHEARNE of Madawaska, KNEELAND of Easton,
LaVERDIERE of Wilton, SIROIS of Caribou, TRIPP of Topsham, USHER of Westbrook,
WHEELER of Bridgewater, Senator: CAREY of Kennebec.

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

4 Sec. 1. 10 MRSA c. 1003 is enacted to read:

6 CHAPTER 1003

8 NORTHERN MAINE TRANSMISSION CORPORATION

10 §9111. Definitions

12 As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

14 1. Corporation. "Corporation" means the Northern Maine Transmission Corporation established in section 9112, subsection 1.

18 2. Fund. "Fund" means the Northern Maine Transmission Corporation Fund established in section 9114.

22 3. Authority. "Authority" means the Finance Authority of Maine.

24 §9112. Northern Maine Transmission Corporation established

26 1. Establishment and purpose. The Northern Maine Transmission Corporation is established. The corporation is a special purpose corporation formed and managed as a subsidiary of the authority. The purpose of the corporation is to finance, permit, construct and operate electric transmission lines necessary to connect electric utilities in the northern region of the State with the transmission grid of the United States in a manner adequate, in the opinion of the authority, to allow customers serviced by those electric utilities to receive the benefits of service similar to all other electric customers in this State.

38 2. Board. The powers of the corporation are exercised by a board of directors, referred to in this section as the "board," that consists of 9 members.

42 3. Membership and appointment of directors. Directors of the board consist of the following 9 members:

44 A. The chief executive officer of the authority or the chief executive officer's designee;

48 B. The Director of the Office of Business Development or the director's designee;

50 C. The Treasurer of State or the treasurer's designee;

2 D. A certified public accountant appointed by the
3 authority; and

4
5 E. Five people who have substantial knowledge of or
6 experience in the electric utility industry, appointed by
7 the Governor.

8
9
10 4. Terms. The member appointed by the authority serves a
11 term of 4 years. All other members serve during their tenure in
12 the position that they represent on the board. Any vacancy is
13 filled in the same manner as the original appointment for the
14 unexpired term of that position. Members appointed by the
15 Governor serve an initial term of 4 years and, upon completion of
16 the term, the members are appointed as follows:

17 A. One member for one year;

18 B. One member for 2 years;

19 C. One member for 3 years; and

20 D. Two members for 4 years.

21
22
23
24 5. Compensation. Directors are compensated according to
25 Title 5, chapter 379.

26
27 **§9113. Powers**

28
29 The corporation has all the powers necessary or convenient
30 to carry out this chapter, including without limitation those
31 general powers provided a business corporation by the Maine
32 Business Corporation Act, Title 13-A, and including, without
33 limiting the generality of this paragraph, the following powers.

34
35 1. Receipt of money and property. The corporation may
36 accept gifts, grants, bequests or devises from any source,
37 including funds from the Federal Government or any of its
38 political subdivisions, and may do any acts necessary, useful,
39 desirable or convenient in connection with procuring acceptance
40 or disposition of gifts.

41
42 2. Cooperation with public and private entities. The
43 corporation may cooperate fully with any public and private
44 entities as necessary, useful, desirable or convenient to carry
45 out this chapter.

46
47 3. Acceptance of proposals for connections. The
48 corporation shall request and receive proposals from public and
49 private entities to finance, permit, construct or operate any
50

2 transmission lines necessary to connect electric utilities in the
3 northern part of the State with the transmission grid of the
4 United States, and may approve those proposals if they are in
5 keeping with the intent of this chapter.

6 **§9114. Fund established**

8 1. Establishment of fund. There is established the
9 Northern Maine Transmission Corporation Fund, which must be used
10 to provide funding for activities of the corporation in
11 furtherance of its purpose under this chapter. The fund must be
12 deposited with and maintained and administered by the authority
13 and must contain appropriations provided for that purpose,
14 interest accrued on the fund balance, funds received by the
15 corporation to be applied to the fund and funds received in
16 payment of loans. The fund is a nonlapsing revolving fund.

18 2. Administrative expenses. Costs and expenses of
19 maintaining, servicing and administering the fund may be paid out
20 of amounts in the fund.

22 **§9115. Tax exemption**

24 1. Bonds or notes. All bonds, notes or other evidences of
25 indebtedness issued under this chapter are issued by a political
26 subdivision or a body corporate and politic of the State and for
27 an essential public and governmental purpose. Those bonds, notes
28 or other evidences of indebtedness, the interest on them and the
29 income from them, including any profit on their sale, and all
30 activities of the corporation and fees, charges, funds, revenue,
31 income and other money of the corporation, whether or not pledged
32 or available to pay or secure the payment of those bonds, notes
33 or other evidences of indebtedness or interest on them, are
34 exempt from all taxation franchise fees or special assessments of
35 whatever kind except for transfer, inheritance and estate taxes.

36 2. Property taxes. All real and personal property acquired
37 by the corporation is subject to taxes to the same extent as real
38 and personal property owned by other electric utilities.

40 **Sec. 2. 35-A MRS §2102, sub-§2, as amended by PL 1991, c.**
41 **342, §4, is further amended to read:**

44 **2. Approval not required.** Except as provided in section
45 2104, the commission's approval is not required for a public
46 utility to furnish service in any municipality in which that
47 public utility is furnishing service on October 8, 1967.
48 Approval is not required for the operation of a radio paging
49 service or mobile telecommunications services. Approval is not
50 required for an electric utility to sell and distribute
electricity to any other electric utility. Approval is not

2 required for a public utility acting under the authority of the
3 Northern Maine Transmission Corporation to finance, permit,
4 construct or operate any transmission lines necessary to connect
5 electric utilities in the northern region of this State with the
6 transmission grid of the United States.

8 SUMMARY

10 This bill establishes the Northern Maine Transmission
11 Corporation, a special purpose state-chartered corporation
12 empowered to finance, permit, construct and operate any
13 transmission lines necessary to connect northern Maine's electric
14 utilities with the transmission grid of the United States. The
15 corporation is empowered to accept funds from any lawful source,
16 to cooperate with private and public entities and to take all
17 other actions necessary to achieve its lawful purposes. The
18 corporation is managed as a subsidiary of the Finance Authority
19 of Maine and is tax exempt. The corporation is subject to
20 federal and state environmental laws and the federal rate
regulation.