

# MAINE STATE LEGISLATURE

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# 120th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2001

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Legislative Document

No. 1412

S.P. 432

In Senate, March 5, 2001

**An Act Relating to the Transfer of Certain Privileges Bestowed by the  
Legislature upon Great Northern Paper, Inc. to Great Northern Energy,  
LLC.**

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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 President MICHAUD of Penobscot.  
Cosponsored by Representative STANLEY of Medway and  
Representative: CLARK of Millinocket.

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

**Sec. 1. Conditions of legislative grant of privileges and rights.**

1. The Legislature finds that:

A. The rights, privileges, immunities and franchises bestowed by the laws of this State upon Great Northern Paper, Inc. that relate to the location, construction, operation or maintenance of dams used in the generation of electricity, referred to in this Act as "those dams," were bestowed in order to provide public benefits to the Katahdin area;

B. The public benefits to the Katahdin area are derived from the operation of and future capital investment in the pulp and paper production facilities located in Millinocket and East Millinocket that are powered by the electricity generated by those dams; and

C. Continuation of the publicly granted rights, privileges, immunities and franchises related to the location, construction, operation or maintenance of those dams must remain inextricably linked to the public benefits.

2. The following conditions apply to the use of electricity generated from those dams whether owned by Great Northern Paper, Inc. or a successor in interest.

A. Electricity generated from those dams must be used:

(1) To benefit the pulp and paper production facility located in the Town of East Millinocket that in 1999 depended upon that electricity;

(2) To benefit the pulp and paper production facility located in the Town of Millinocket that in 1999 depended upon that electricity; and

(3) To supply electricity to the Katahdin region.

3. The rights, privileges, immunities and franchises bestowed by law upon Great Northern Paper, Inc., or its successor, that relate to the location, construction, operation or maintenance of those dams are subject to review by the Legislature in accordance with subsection 4 following the occurrence of either of the following events:

A. The pulp and paper production facility located in the Town of East Millinocket that in 1999 depended on that electricity permanently ceases operations; or

2 B. The pulp and paper production facility located in the  
3 Town of Millinocket that in 1999 depended on the electricity  
4 permanently ceases operations.

6 For purposes of this subsection, "permanently ceases operations"  
7 means a cessation of operations, other than a temporary cessation  
8 caused by fire, flood, storm or other act of God, that does not  
9 include a schedule for recommencing pulp and paper production  
10 operations.

12 4. The Legislature shall review the rights, privileges,  
13 immunities and franchises bestowed by law upon Great Northern  
14 Paper, Inc., or its successor, that relate to the location,  
15 construction, operation or maintenance of those dams if either of  
16 the events described in subsection 3 occurs. If the Legislature  
17 fails to repeal this subsection within 12 months following the  
18 occurrence of either of the events described in subsection 3, the  
19 rights, privileges, immunities and franchises bestowed by law  
20 upon Great Northern Paper, Inc., or its successors that relate to  
21 the location, construction, operation or maintenance of those  
22 dams terminate.

24 If the rights and privileges, immunities and franchises bestowed  
25 by law upon Great Northern Paper, Inc., or its successor, that  
26 relate to the location, construction, operation or maintenance of  
27 those dams are terminated pursuant to this subsection, the owner  
28 of those dams shall petition the Federal Energy Regulatory  
29 Commission to terminate its licenses.

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31 **Sec. 2. Transfer of hydroelectric rights and privileges granted to**  
32 **Great Northern Paper, Inc. to Great Northern Energy, LLC.** Great  
33 Northern Paper, Inc. is authorized to sell, transfer or convey to  
34 Great Northern Energy, a limited liability company, Great  
35 Northern Paper, Inc.'s rights, privileges, immunities and  
36 franchises that have, by private and special act of the  
37 Legislature, been bestowed upon Great Northern Paper, Inc. that  
38 relate to the location, construction, operation or maintenance of  
39 dams used in the generation of electricity. Upon acquisition by  
40 Great Northern Energy, LLC of those dams, Great Northern Energy,  
41 LLC acquires all of those rights, privileges, immunities and  
42 franchises and is subject to all the obligations, duties,  
43 limitations, liabilities and other conditions, including those  
44 specified in section 1, that by law accompany those rights,  
45 privileges, immunities and franchises.

48 **SUMMARY**

50 This bill provides that the rights and privileges held by  
Great Northern Paper, Inc. that relate to the location,

2 construction, operation or maintenance of dams used in the  
generation of electricity may be transferred to Great Northern  
4 Energy, LLC upon the acquisition by Great Northern Energy of the  
dams.