

MAINE STATE LEGISLATURE

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Revised

L.D. 1866

Date: 06-01-07

(Filing No. S-191)

UTILITIES AND ENERGY

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE

SENATE

123RD LEGISLATURE

FIRST REGULAR SESSION

Majority

COMMITTEE AMENDMENT "A" to S.P. 679, L.D. 1866, Bill, "An Act To Revise Maine's Utility Reorganization Laws"

Amend the bill by striking out all of section 1 and inserting the following:

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

A. Unless exempted by rule or order of the commission, ~~no~~ a reorganization may not take place without the approval of the commission. ~~No~~ A reorganization may not be approved by the commission unless it is established by the applicant for approval that the reorganization is consistent with the interests of the utility's ratepayers and investors and, when a public utility that is a party to the proposed reorganization has gross annual Maine revenues exceeding \$50,000,000 and the proposed reorganization would result in a change of ownership and control of that public utility, unless it is established by the applicant for approval that the reorganization will advance the economic development and information access goals of the State as set forth in section 7101, subsections 2 and 4 to the extent applicable to the type of utility involved and will result in net benefits to ratepayers. The commission shall rule upon all requests for approval of a reorganization within 60 days of the filing of the request for approval. If it determines that the necessary investigation cannot be concluded within 60 days, the commission may extend the period for a further period of no more than 120 days. In granting its approval, the commission shall impose such terms, conditions or requirements as, in its judgment, are necessary to protect the interests of ratepayers. These conditions ~~shall~~ must include provisions ~~which assure the following that ensure:~~

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

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COMMITTEE AMENDMENT "A" to S.P. 679, L.D. 1866

- 1 (2) That the commission has all reasonable powers to detect, identify, review and
- 2 approve or disapprove all transactions between affiliated interests;
- 3 (3) That the utility's ability to attract capital on reasonable terms, including the
- 4 maintenance of a reasonable capital structure, is not impaired;
- 5 (4) That the ability of the utility to provide safe, reasonable and adequate service
- 6 is not impaired;
- 7 (5) That the utility continues to be subject to applicable laws, principles and
- 8 rules governing the regulation of public utilities;
- 9 (6) That the utility's credit is not impaired or adversely affected;
- 10 (7) That reasonable limitations be imposed upon the total level of investment in
- 11 nonutility business, except that the commission may not approve or disapprove of
- 12 the nature of the nonutility business;
- 13 (8) That the commission has reasonable remedial power including, but not
- 14 limited to, the power, after notice to the utility and all affiliated entities of the
- 15 issues to be determined and the opportunity for an adjudicatory proceeding, to
- 16 order divestiture of or by the utility in the event that divestiture is necessary to
- 17 protect the interest of the utility, ratepayers or investors. A divestiture order ~~shall~~
- 18 must provide a reasonable period within which the divestiture ~~shall~~ must be
- 19 completed; and
- 20 (9) That neither ratepayers nor investors are adversely affected by the
- 21 reorganization; and
- 22 (10) When a public utility that is a party to the proposed reorganization has gross
- 23 annual Maine revenues exceeding \$50,000,000 and the proposed reorganization
- 24 would result in a change of ownership and control of that public utility, that the
- 25 reorganization will:
- 26 (a) Advance the economic development and information access goals of the
- 27 State as set forth in section 7101, subsections 2 and 4 to the extent applicable
- 28 to the type of utility involved;
- 29 (b) Result in net benefits to ratepayers; and
- 30 (c) Be consistent with the interests of the utility's investors.'

31 Amend the bill in section 2 in subsection 4 in the 5th line (page 2, line 20 in L.D.) by
32 striking out the following: "any utility subject to subsection 2, paragraph A, subparagraph
33 (1)," and inserting the following: 'an applicant that has gross annual Maine revenues
34 exceeding \$50,000,000'

35 Amend the bill in section 3 in subsection 1-A in the 4th line (page 2, line 33 in L.D.)
36 by inserting after the following "\$50,000,000" the following: 'and the proposed
37 transaction would result in a change of the ownership and control of that public utility'

38 Amend the bill in section 3 in subsection 1-A by striking out all of paragraph B and
39 inserting the following:

COMMITTEE AMENDMENT

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123rd MAINE LEGISLATURE

LD 1866

LR 93(02)

An Act To Revise Maine's Utility Reorganization Laws

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Utilities and Energy

Fiscal Note Required: Yes

Fiscal Note

Potential future biennium revenue increase - Other Special Revenue Funds

Fiscal Detail and Notes

This legislation will modify the standard the Public Utilities Commission will apply in reviewing and approving reorganizations and mergers involving Maine's largest utilities. It will increase from \$50,000 to \$100,000 the amount of funding that the commission may obtain from reorganization applicants with gross annual Maine revenues exceeding \$50,000,000 to contribute toward the Commission's additional costs of processing a reorganization proceeding. When and how often the additional revenue will be received cannot be estimated at this time.