

MAINE STATE LEGISLATURE

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L.D. 697

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Date: 4-5-22

(Filing No. H-935)

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MAJORITY

ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE

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HOUSE OF REPRESENTATIVES

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130TH LEGISLATURE

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SECOND REGULAR SESSION

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COMMITTEE AMENDMENT "A" to H.P. 509, L.D. 697, "An Act To Enhance the Energy Security of Maine Residents"

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Amend the bill by striking out the title and substituting the following:

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'An Act To Reduce Risks to Maine's Critical Utility Infrastructure'

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Amend the bill by striking out everything after the enacting clause and inserting the following:

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'Sec. 1. 35-A MRSA §708, sub-§2, ¶A, as amended by PL 2019, c. 353, §2, is further amended by amending subparagraph (9) to read:

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(9) That neither ratepayers nor investors are adversely affected by the reorganization, and if the reorganization would result in the transfer of ownership and control of a public utility or the parent company of a public utility, that the reorganization provides identifiable long-term net benefits to the utility's ratepayers.

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Sec. 2. 35-A MRSA §708, sub-§2, ¶C, as enacted by PL 2019, c. 353, §2, is amended to read:

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C. In determining whether a utility reorganization that would result in the transfer of ownership and control of a public utility or the parent company of a public utility provides net benefits to the utility's ratepayers pursuant to paragraph A, the commission, at a minimum, shall examine:

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(1) Whether the reorganization will result in ~~a rate increase~~ lower rates for the utility's ratepayers; ~~and~~

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(2) Whether the reorganization will result in ~~a loss of~~ greater local control of the utility's management and operations in a manner that ~~limits~~ improves the ability of local management to protect the interests of the utility's ratepayers in this State; ~~and~~

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COMMITTEE AMENDMENT

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(3) Whether the reorganization will avoid the ownership or control, in whole or in part, of a public utility by a foreign government, a foreign corporation or the subsidiary of a foreign corporation and so avoid an ownership or control that could:

(a) Pose risks at any time to system reliability, customer privacy or customer safety in the event of international hostilities;

(b) Impede in any way the ability of the commission to exercise its powers and duties; or

(c) Result in net economic losses to the State.'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment replaces the bill.

The amendment requires the Public Utilities Commission, in granting approval for a reorganization of a utility, to include conditions that ensure that, if the reorganization would result in the transfer of ownership and control of a public utility or the parent company of a public utility, the reorganization provides identifiable long-term net benefits to the utility's ratepayers.

The amendment rephrases the current net benefit standards and establishes new net benefit considerations that the commission must examine when approving a utility's reorganization if the reorganization would result in ownership or control, in whole or in part, of a public utility by a foreign government, foreign corporation or subsidiary of a foreign corporation. The amendment requires the commission to examine, before issuing an order of authorization, the risks to system reliability, customer privacy and customer safety in the event of international hostilities, whether the reorganization could impede the commission's ability to exercise its duties and powers and the potential net economic losses to the State associated with the ownership or control by a foreign government, foreign corporation or subsidiary of a foreign corporation.

FISCAL NOTE REQUIRED

(See attached)



130th MAINE LEGISLATURE

LD 697

LR 1807(02)

An Act To Enhance the Energy Security of Maine Residents

Fiscal Note for Bill as Amended by Committee Amendment

Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

ACH-935)

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Public Utilities Commission due to changes to the criteria used to grant approvals of utility reorganizations are anticipated to be minor and can be absorbed within existing budgeted resources.