

MAINE STATE LEGISLATURE

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N I N E T Y - E I G H T H L E G I S L A T U R E

Legislative Document

No. 1293

H. P. 907

House of Representatives, March 14, 1957.

Referred to the Committee on Public Utilities. Sent up for concurrence and 1000 copies ordered printed.

HARVEY R. PEASE, Clerk

Presented by Mr. Carville of Eustis.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-SEVEN

AN ACT to Incorporate the Rangeley and Eustis Light and Power District.

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

Sec. 1. Incorporation; name; purposes; territorial limits. The area included within the combined territorial limits of the towns of Rangeley and Eustis in the county of Franklin, and the inhabitants therein, are hereby created a body politic and corporate by the name of the "Rangeley and Eustis Light and Power District," for the following purposes:

I. To generate, manufacture, purchase, acquire, accumulate and transmit electric energy, and to distribute, sell, supply and dispose of electric energy;

II. To assist persons to whom electric energy is or will be supplied by the district in wiring their premises and in acquiring and installing electrical and plumbing appliances, equipment, fixtures and apparatus by the financing thereof, or otherwise, and in connection therewith to wire or cause to be wired such premises, and to purchase, acquire, lease as lessor or lessee, sell, distribute, install and repair such electric and plumbing appliances, equipment, fixtures and apparatus;

III. To construct, purchase, lease as lessee or otherwise acquire, and to equip, maintain and operate, and to sell, assign, convey, lease as lessor, mortgage, pledge or otherwise dispose of or encumber electric transmission and distribution lines or systems, electric generating plants, electric cold storage or processing plants, lands, buildings, structures, dams, plants and equipment, and any other real or personal property, tangible or intangible, which shall be

deemed necessary, convenient or appropriate to accomplish the purpose for which the district is organized;

IV. To construct, maintain and operate electric transmission and distribution lines along, upon, under and across publicly owned lands and public thoroughfares, including all roads, highways, streets, alleys, bridges and causeways; subject, however, to the provisions of sections 36 to 48, inclusive, of Chapter 50 of the Revised Statutes of 1954 and all acts amendatory thereof.

V. To purchase, lease as lessee, or otherwise acquire and to use and exercise, and to sell, assign, convey, mortgage, pledge or otherwise dispose of or encumber franchises, rights, privileges, licenses and easements;

VI. To borrow money and otherwise contract indebtedness, and to issue notes, bonds and other evidences of indebtedness, and to secure the payment thereof by mortgage, pledge or deed of trust, or any other encumbrance upon, any or all of its then owned or after acquired real or personal property, assets, franchises, revenues or income;

VII. To adopt, amend and repeal by-laws;

VIII. To do and perform any other acts and things, and to have and exercise any other powers which may be necessary, convenient or appropriate to accomplish the purpose for which the District is organized.

The territorial limits within which said District may exercise the aforesaid powers shall be not only within its body politic but also to individuals, partnerships, firms and corporations and inhabitants of Chain of Ponds, Kibby, Alder Stream, Jim Pond, Tim Pond, Stetsontown, Flagstaff, Bigelow, Dead River, Wyman, Jerusalem, Kingfield, Lexington, New Portland, Madrid, Redington, Lang, Davis, Lower Cupsuptic, Rangeley Plantation, Sandy River Plantation, Dallas Plantation, Coplin Plantation and Highland Plantation.

Sec. 2. Right of eminent domain conferred. The said district for the purposes of its incorporation is hereby authorized to take and hold, as for public uses, by purchase, eminent domain or otherwise, any land or interest therein or water flowage rights necessary for erecting and maintaining dams and reservoirs, for setting and maintaining poles, wires and other apparatus and structures, for the distribution of electric power and for all other purposes incidental or necessary to the production, distribution and sale of such power for public purposes and for the health, comfort and convenience of the inhabitants of the territory authorized to be served by said district. Provided, however, nothing herein contained shall be construed as authorizing said district to take by right of eminent domain any of the property or facilities of any other public service corporation or district used, or acquired for future use, by the owner thereof in the performance of a public duty, unless expressly authorized herein or by subsequent act of the Legislature.

Sec. 3. Procedure in exercising right of eminent domain and adjustment of damages. In exercising any rights of eminent domain that are herein conferred upon said district, the district shall file for record in the registry of deeds in said county, plans of the location of lands or interests therein, including flowage rights, to be taken, with an appropriate description and the names of the owners

thereof, if known. When for any reason the district fails to acquire property which it is authorized to take and which is described in such location, or if the location so recorded is defective or uncertain, it may at any time correct and perfect such location and file a new description thereof. In such case, the district is liable in damages only for property for which the owner had not previously been paid, to be assessed as of the time of the original taking, and the district shall not be liable for any act which would have been justified if the original taking had been lawful. No entry shall be made on any private lands, except to make surveys, until the expiration of 10 days from such filing; whereupon possession may be had of all such lands or interests therein so taken, but title thereto shall not vest in said district until paid for. In case of any crossing of any public utility, unless consent is given by the company owning or operating such public utility as to the place, manner and conditions of the crossing within 30 days after such consent is requested by said district, the Public Utilities Commission shall determine the place, manner and condition of such crossing; and all work on the property of such public utility shall be done under the supervision and to the satisfaction of such public utility, but at the expense of the district. If any person sustaining damages by taking as aforesaid shall not agree with the trustees of said district upon the sum to be paid therefor, either party, upon petition to the county commissioners of Franklin county, may have said damages assessed by them; the procedure and all subsequent proceedings and the rights of appeal thereon shall be had under the same restrictions, conditions and limitations as are or may be prescribed in the case of damages by laying out highways.

Sec. 4. Board of trustees. All the affairs of said district shall be managed by a board of 5 trustees, 4 of whom shall be residents of the district. Two trustees shall be appointed by the municipal officers of the Town of Rangeley and 2 trustees by the municipal officers of the Town of Eustis. These trustees shall hold office for the term of 4 years and until their respective successors are appointed and qualified; except, however, as hereinafter provided. These 4 trustees shall in turn appoint the 5th trustee, whose residence is not required to be within the district, and who shall hold office for a term of 3 years. Each trustee is eligible to reappointment.

Sec. 5. Trustees; how appointed; vacancies filled for the unexpired term; meetings; officers. The first board of trustees shall be appointed within 3 days after the meeting of the voters of said district to accept this act. One of the 2 trustees appointed by the municipal officers of the town of Rangeley shall serve until the 4th annual meeting of the district, and one until the 2nd annual meeting of the district; one of the 2 trustees appointed by the municipal officers of the town of Eustis shall serve until the 3rd annual meeting of the district, and one until the first annual meeting. Thereafter, in the month of June in each year, one member shall be appointed to serve for the term of 4 years by the municipal officers of the town, the term of whose representative is expiring. In case a vacancy occurs in the board of trustees appointed by the municipal officers, the unexpired term shall be filled by an appointment of the municipal officers of that town in which the trustee was a resident. In case the vacancy occurs in the office of the 5th trustee, who is appointed by the board, the board shall fill the unexpired term before appointing a trustee for a full 3-year term. As soon as

convenient after the trustees are first appointed, the trustees shall hold a meeting at some convenient place in the district to be called by any member thereof in writing designating the time and place and delivered in hand to the other 4 members not less than 2 full days before the meeting; provided, however, that they meet by agreement without such notice. They shall then organize by the election of a chairman and clerk from their own number, adopt a corporate seal and by-laws, and perform any other acts within the powers delegated to them by law. When necessary, they may choose a treasurer and other needful officers and agents who shall serve at their pleasure, and whose compensation shall be fixed by said trustees. The treasurer shall furnish bond in such sum and with such sureties as they may approve. Members of the board shall be eligible to any office under the board, but shall not receive any compensation therefor except as trustees. The compensation of the trustees shall be \$200 each per year unless otherwise provided by vote as above set forth. The trustees shall be sworn to the faithful performance of their duties as such, which shall include the duties of any member as clerk or clerk pro tem. They shall make and publish an annual report, including a report of the treasurer.

Sec. 6. Annual audit. The trustees of said district shall have an annual audit made of its accounts covering the last complete fiscal year, and said audit shall be made by individuals or firms recognized as competent auditors by training and experience, or by qualified public accountants.

Sec. 7. District and towns authorized to make contracts. Said district, through its trustees, is authorized to contract with persons and corporations, including any of the towns within the territory authorized to be served by said district, which towns are authorized to contract with it for the supply of electricity for municipal purposes.

Sec. 8. Authorized to acquire property and franchises of Oquossoc Light and Power Company and Stratton Light and Power Company. Said district is hereby authorized and empowered to acquire by purchase or by the exercise of the right of eminent domain, which right is hereby expressly delegated to said district for said purpose, the entire plant, properties, franchises, rights and privileges, except cash assets and accounts receivable, owned by the Oquossoc Light and Power Company and the Stratton Light and Power Company, including land, owned or leased, water power, dams and reservoirs, manufactories and works for providing and supplying electricity, electric generators and other apparatus equipping and maintaining the electric lighting and power plants now existing, together with all lines of wire or other material, poles, pipes and apparatus for the transmission and distribution of electricity now existing. Said companies are hereby authorized to sell, transfer and convey their franchises and property to said district.

Sec. 9. Taxation. Said district is declared to be a public municipal corporation of this State, engaged in supplying power and light, as described in section 10 of chapter 91-A of the Revised Statutes of 1954, as amended, for the purpose of determining taxation of its property.

Sec. 10. Authorized to negotiate temporary loans; and to issue notes and bonds; declared a quasi-municipal corporation; notes and bonds legal investments for savings banks. For accomplishing the purposes of this act, said dis-

trict, through its trustees, is authorized, with the approval of the Public Utilities Commission, to borrow money temporarily, and to issue therefor the interest-bearing negotiable notes of the district, and for the purpose of refunding the indebtedness so created, of paying any necessary expenses and liabilities incurred under the provisions of this act, including the expenses incurred in the creation of the district, in acquiring the aforesaid properties and franchises of the Oquossoc Light and Power Company and the Stratton Light and Power Company, by purchase or otherwise, of taking water and land, paying damages, erecting, constructing, maintaining and operating power plants, dams, reservoirs, buildings, transmission lines and poles, and all other things or apparatus incidental or necessary to the purposes of this act, and making renewals, extensions, additions and improvements to the same, the said district, through its trustees, may from time to time issue bonds of the district to an amount necessary in the judgment of the trustees therefor. Said notes and bonds shall be legal obligations of said district, which is hereby declared to be a quasi-municipal corporation within the provisions of sections 136 and 137 of chapter 53 of the Revised Statutes of 1954, and all the provisions of said sections shall be applicable thereto. The said notes and bonds shall be legal investments for savings banks.

Sec. 11. Rates, application of revenues; sinking fund; depreciation fund; surplus funds. All individuals, partnerships, firms and corporations, whether private, public or municipal, shall pay to the treasurer of said district the rate established by the board of trustees for the electricity used by them, and the rates for electricity so supplied shall be uniform within the territory supplied by the district wherever the installation and maintenance of transmission lines and the apparatus of distribution of electric power and the cost of service is substantially uniform, but nothing in this act shall preclude said district, with the approval of the Public Utilities Commission, from establishing higher rates than the regular rates, in sections where, for any reason, the cost of construction and maintenance or the cost of service exceeds the average, but such higher rates shall be uniform throughout the section where they apply. All rates shall be subject to the approval of the Public Utilities Commission, and shall be so established as to provide revenue for the following purposes:

- I. To pay the current expenses of operating and maintaining the electric light and power system, including all usual and ordinary repairs, replacements and improvements.
- II. To provide for the payment of the interest on the indebtedness created or assumed by the district.
- III. To provide each year a sum equal to not less than 1% nor more than 5% of the entire indebtedness created or assumed by the district, which sum shall be turned into a sinking fund and there kept to provide for the extinguishment of such indebtedness. The money set aside for the sinking fund shall be devoted to the retirement of the obligations of the district or invested in obligations of the United States government, which said obligations shall mature prior to the date upon which the bonds of the district, for the retirement of which said funds are invested, shall become due.
- IV. To provide each year a sum equal to not less than 2% nor more than 4% of the book value of the depreciable assets of said district determined as

of the close of the preceding fiscal year, which sum shall be turned into a depreciation and obsolescence fund and there kept to provide for repairs, replacements, additions to and obsolescence and depreciation of such depreciable assets.

V. To provide and accumulate from year to year surplus funds to carry out the general purposes of said district, as may be necessary or desirable in the sole discretion of the trustees.

VI. The rates hereinabove established shall provide no more than a "fair return" as set forth in section 18 of chapter 44 of the Revised Statutes of 1954.

Sec. 12. District subject to Public Utilities Commission. Nothing herein contained is intended to repeal nor shall be construed as repealing the whole or any part of any existing statute; and all rights and duties herein mentioned shall be exercised and performed in accordance with all the applicable provisions of chapter 44 of the Revised Statutes of 1954 and all acts amendatory thereof or additional thereto.

Sec. 13. Incidental powers granted. All powers, rights and privileges incidental or necessary to the accomplishment of the purposes herein set forth are granted to the public quasi-municipal corporation hereby created.

Referendum; effective date; return to Secretary of State. This act shall take effect 90 days after the adjournment of the Legislature, only for the purpose of permitting its submission to the legal voters of each of said towns of Rangeley and Eustis at a special meeting to be called and held for the purpose, in the first instance, not later than November 1, 1957. Such meetings shall be called, advertised and conducted according to the law relating to municipal elections; provided, however, that the board of registration in the respective towns shall not be required to prepare for posting, nor the town clerks to post, a new list of voters, and for the purpose of registration of voters, said boards shall be in session in their respective towns one hour preceding such meetings. Each town clerk shall prepare the required ballots, on which he shall reduce the subject matter of this act to the following question: "Shall the Act to Incorporate the Rangeley and Eustis Light and Power District, passed by the 98th Legislature, be accepted?" and the voters shall indicate by a cross or check mark placed against the words "Yes" or "No" their opinion of the same. This act shall take effect for all the purposes hereof immediately upon its acceptance by a majority of the legal voters voting at such special meetings; but only if the total number of votes cast in each town for and against the acceptance of this act equals or exceeds 20% of the total vote for all candidates for Governor cast in the towns of Rangeley and Eustis, respectively, at the next previous gubernatorial election.

If the act fails of approval in either of said towns, a second such town meeting, which may be either a special or annual town meeting, may be similarly called and held for the same purpose in such town at any time not later than April 1, 1958, and if the inhabitants of said town by a majority vote at said second town meeting, at which the total number of votes cast for and against the acceptance of this act equals or exceeds 20% of the total vote for all candidates for Governor cast in said town at the next previous gubernatorial election, approve the

act, the act shall take effect for all the purposes hereof as if it had been so approved at the first meeting.

The results of said town meetings shall be declared by the municipal officers of the towns of Rangeley and Eustis and due certificates thereof shall be filed by the clerks of said respective towns with the Secretary of State.