

MAINE STATE LEGISLATURE

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**STATE OF MAINE
119TH LEGISLATURE**

FIRST REGULAR SESSION

**BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
UTILITIES AND ENERGY**

JULY 1999

MEMBERS:

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Sen. Carol A. Kontos
Sen. Betty Lou Mitchell***

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Staff:

Jon Clark, Legislative Analyst

***Office of Policy and Legal Analysis
Room 101/107/135, 13 State House Station
Augusta, ME 04333
(207)287-1670***



Maine State Legislature
OFFICE OF POLICY AND LEGAL ANALYSIS

13 State House Station, Augusta, Maine 04333-0013
Telephone: (207) 287-1670
Fax: (207) 287-1275

ONE HUNDRED NINETEENTH LEGISLATURE
FIRST REGULAR SESSION

Summary Of Legislation Before The Joint Standing and Select Committees
August 1999

We are pleased to provide this summary of all bills that were considered by the Joint Standing and Select Committees of the Maine Legislature this past session. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this session for the Legislature and each of its joint standing and select committees.

The document is organized for convenient reference to information on bills considered by the committees. It is organized by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

CARRIED OVER.....Bill carried over to Second Regular Session
CON RES XXX..... Chapter # of Constitutional Resolution passed by both Houses
CONF CMTE UNABLE TO AGREE.....Committee of Conference unable to agree; bill died
DIED BETWEEN BODIES.....House & Senate disagree; bill died
DIED IN CONCURRENCE..... One body accepts ONTP report; the other indefinitely postpones the bill
DIED ON ADJOURNMENT.....Action incomplete when session ended; bill died
EMERGENCY..... Enacted law takes effect sooner than 90 days
ENACTMENT FAILED..... Bill failed to get vote required for enactment or final passage
NOT PROPERLY BEFORE THE BODY..... Ruled out of order by the presiding officers; bill died
INDEF PP.....Bill Indefinitely Postponed
ONTP..... Ought Not To Pass report accepted
OTP ND..... Committee report Ought To Pass In New Draft
OTP ND/NT..... Committee report Ought To Pass In New Draft/New Title
P&S XXX..... Chapter # of enacted Private & Special Law
PUBLIC XXX..... Chapter # of enacted Public Law
RESOLVE XXX..... Chapter # of finally passed Resolve
UNSIGNED.....Bill held by Governor
VETO SUSTAINED.....Legislature failed to override Governor's Veto

Please note the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is September 18, 1999.

LD 2091**An Act to Amend the Charter of the Richmond Utilities District****P & S 23**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SHIAH TREAT	OTP-AM	H-399

LD 2091 proposed to allow the Richmond Utilities District to charge the ratepayer when filing a lien a fee not to exceed the cost to the district for giving the notice and for filing and recording the certificate of lien.

Committee Amendment "A" (H-399) proposed to modify the Richmond Utilities District charter to allow the district to increase its debt limit through a district referendum in same the manner as standard water districts.

Enacted law summary

Private and Special Law 1999, chapter 23 allows the Richmond Utilities District to charge the ratepayer when filing a lien a fee not to exceed the cost to the district for giving the notice and for filing and recording the certificate of lien. It also modifies the Richmond Utilities District charter to allow the district to increase its debt limit through a district referendum in same the manner as standard water districts.

LD 2140**An Act to Enhance the Economic Security of Low-income Households with Respect to Utility Service****CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAVIDSON		

LD 2140 proposes to authorize the Public Utilities Commission to approve discount rates for low-income natural gas customers.

LD 2154**An Act to Amend the Electric Industry Restructuring Laws****PUBLIC 398**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP-AM	H-620

LD 2154, reported by the Joint Standing Committee on Utilities and Energy pursuant to Public Law 1997, chapter 316, section 12, proposed to implement certain recommendations of the Public Utilities Commission regarding electric industry restructuring.

Part A proposed to make changes to Title 35-A to conform it to the electric industry restructuring law;

Part B proposed to authorize international transmission contracts;

Part C proposed to modify the PUC's assessments on utilities to account for the changes in the electric utility industry;

Part D proposed to grant the PUC a 1-year extension to adopt rules on competitive billing and metering;

Part E proposed to exempt small utilities from retail competition; and

Part F proposed to authorize the PUC to require a T&D utility to arrange for default service in the event the PUC fails to get bids on standard-offer service or if the bids it receives are unacceptable.

Committee Amendment "A" (H-620) proposed the following:

1. To make a series of changes and additions to Part A of the bill;
2. To amend Part B to clarify that the authorization of transmission and distribution utility's to enter into international transmission contracts is not limited by the restrictions imposed by Title 35A, section 3204 regarding divestiture; to exempt such contracts from Public Utilities Commission approval; and to clarify that the Public Utilities Commission retains jurisdiction over utility operations or activities undertaken pursuant to such contracts;
3. To make a technical correction to Part C;
4. To amend Part D to extend the date by which the Public Utilities Commission must adopt rules on competitive billing and metering to March 1, 2000;
5. To amend Part E to clarify that the exemption from electric industry restructuring for electric utilities not physically connected to any transmission and distribution utility applies to consumer-owned electric utilities as well and investor-owned electric utilities;
6. To add a new Part G:
 - A. To add a provision authorizing the Public Utilities Commission to require a transmission and distribution utility to keep a log of any transactions with its affiliated provider;
 - B. To add a provision prohibiting a large distribution utility from subsidizing the business of its affiliated competitive provider and requires the PUC to amend its rules to apply this standard to small distribution utilities as well;
 - C. To move the penalty provisions, including the so-called "poison pill" penalty, that apply to violations of standards of conduct by transmission and distribution utilities with affiliated competitive electricity providers so that the penalties apply to all transmission and distribution utilities; it also proposed to increase the maximum penalties from \$10,000 to \$100,000 and to allow for disgorgement of profits for violations of the standards of conduct; it also proposed to require the Public Utilities Commission to amend its rules to conform to these changes;
 - D. To exempt the Public Utilities Commission from undertaking formal proceedings in order to change its rule to conform to these changes in law;
7. To add a new Part H to increase the salaries of the commissioners of the Public Utilities Commission;
8. To add a new Part I to modify the renewable portfolio requirement applicable to competitive electricity providers in the restructured electric marketplace. Part I proposed:
 - A. To change the description of the portfolio requirement to more accurately describe the resources that are eligible to meet the requirement;
 - B. To tighten the efficiency requirements for eligible cogenerators;
 - C. To provide that if a competitive electricity provider represents to a customer that the provider is selling to the customer a portfolio of supply sources that includes more than 30% eligible resources, the resources necessary

to supply more than 30% of that customer's load may not be applied to meet the aggregate 30% portfolio requirement;

9. To add a new Part J to require competitive electricity providers, as a condition of licensing, to register with the State Tax Assessor and agree to be responsible for the collection and remission of sales taxes due on sales of electricity made by the licensee to consumers located in this State;
10. To add a new Part K to provide for the reformation of any contract for electricity that a transmission and distribution utility has with a retail customer that extends beyond March 1, 2000 to preserve as nearly as possible the parties' benefits and burdens under the terms of the original contract;
11. To add a new Part L to extend the deadlines by which the Public Utilities Commission must complete its cases related to stranded costs to December 1, 1999;
12. To add a new Part M to retroactively modify the law regarding transition benefits for employees of electric utilities displaced by restructuring to include part-time employees; and
13. To add a new Part N to allow the PUC to grant an extension on the divestiture of "generation related business", including wholesale energy contracts, and to remove the requirement that assets for which an a divestiture extension has been granted must be moved by the utility to an affiliate.

Enacted law summary

Public Law 1999, chapter 398

1. Makes many changes to Title 35-A to bring it into conformity with the electric industry restructuring chapter;
2. Provides authorization for transmission and distribution utilities to enter into international transmission contracts; exempts such contracts from Public Utilities Commission approval; and clarifies that the Public Utilities Commission retains jurisdiction over utility operations or activities undertaken pursuant to such contracts;
3. Modifies the PUC assessment on utilities to account for the change in the electric utility industry;
4. Extends the date by which the Public Utilities Commission must adopt rules on competitive billing and metering to March 1, 2000;
5. Provides an exemption from electric industry restructuring laws for electric utilities not physically connected to any transmission and distribution utility whether consumer-owned or investor-owned;
6. Authorizes the PUC to require T&D utilities to arrange default service in the event the PUC fails to get bids on standards offer service or if the bids it receives are unacceptable;
7. With respect to T&D Standards of Conduct:
 - A. Authorizes the Public Utilities Commission to require a transmission and distribution utility to keep a log of any transactions with its affiliated provider;
 - B. Prohibits a large distribution utility from subsidizing the business of its affiliated competitive provider and requires the PUC to amend its Standards of Conduct rules to apply this standard to small distribution utilities as well;
 - C. Moves the penalty provisions, including the so-called "poison pill" penalty, that apply to violations of standards of conduct by transmission and distribution utilities with affiliated competitive electricity providers so that the penalties apply to all transmission and distribution utilities; it also increases the maximum penalties from

\$10,000 to \$100,000 and allows for disgorgement of profits for violations of the standards of conduct; it also requires to the Public Utilities Commission to amend its rules to conform to these changes;

D. Exempts the Public Utilities Commission from undertaking otherwise required formal proceedings in order to change its rule to conform to these changes in law;

8. Increases the salaries of the commissioners of the Public Utilities Commission. Currently the salary of the chair of the commission is set by statute at range 91, step 8 and the salaries of the other two commissioners at range 90, step 8. Chapter 398 increases their salaries by making them equal to the salaries of the justices of the Superior Court. The salary of the chair of the commission is made equal to the salary of the Chief Justice of the Superior Court and the salaries of the other commissioners are made equal to the salaries of the Associate Justices;

9. Modifies the renewable portfolio requirement applicable to competitive electricity providers in the restructured electric marketplace as follows:

A. Changes the description of the portfolio requirement to more accurately describe the resources that are eligible to meet the requirement. Under current law, cogenerators that do not use renewable resources are eligible. This amendment preserves the portfolio requirement but separates those facilities that are eligible as renewable resources from those that are eligible as efficient cogenerators;

B. Tightens the efficiency requirements for eligible cogenerators;

C. Provides that if a competitive electricity provider represents to a customer that the provider is selling to the customer a portfolio of supply sources that includes more than 30% eligible resources, the resources necessary to supply more than 30% of that customer's load may not be applied to meet the aggregate 30% portfolio requirement;

10. Requires competitive electricity providers, as a condition of licensing, to register with the State Tax Assessor and agree to be responsible for the collection and remission of sales taxes due on sales of electricity made by the licensee to consumers located in this State;

11. Provides for the reformation of any contract for electricity that a transmission and distribution utility has with a retail customer that extends beyond March 1, 2000; the contract must be reformed so that the customer pays a total price for delivered electricity on an annual basis that is equal to the price contained in the original contract; if the utility and the customer fail to reach an agreement on reformation of the contract, the Public Utilities Commission is required to reform the contract to preserve as nearly as possible the parties' benefits and burdens under the terms of the original contract;

12. Extends the deadlines by which the Public Utilities Commission must complete its cases related to stranded costs to December 1, 1999;

13. Retroactively modifies the law regarding transition benefits for employees of electric utilities displaced by restructuring to include part-time employees; and

14. Allows the PUC to grant an extension on the divestiture of "generation related business", including wholesale energy contracts, and removes the requirement that assets for which an a divestiture extension has been granted must be moved by the utility to an affiliate.