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Legislative Document

No. 796

H.P. 545

House of Representatives, March 10, 2015

An Act To Allow a Municipality To Choose Its Power Provider

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative PARRY of Arundel.
Cosponsored by Senator COLLINS of York and
Representatives: BABBIDGE of Kennebunk, BEAVERS of South Berwick, FARRIN of
Norridgewock, FOLEY of Wells, O'CONNOR of Berwick, SEAVEY of Kennebunkport,
Senators: DUTREMBLE of York, WOODSOME of York.

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

2 **Sec. 1. 35-A MRSA §2102, sub-§5** is enacted to read:

3 **5. Vote required.** If 2 transmission and distribution utilities furnish service within a
4 municipality, that municipality may hold a municipal referendum to choose one of them
5 to furnish service to the entire municipality.

6 A. The decision to hold a referendum must be made by a majority vote of the
7 municipal officials.

8 B. A referendum to choose a transmission and distribution utility must take place
9 during a gubernatorial or presidential election in November.

10 C. A referendum must be called, advertised and conducted according to the law
11 relating to municipal elections. The municipal clerk shall prepare the required
12 ballots, which must contain substantially the following question:

13 "Do you favor [insert transmission and distribution utility name] furnishing
14 service to the entire area of [insert name of municipality]?"

15 D. If the voters choose a transmission and distribution utility to furnish service to the
16 entire municipality, the municipal officers shall petition the commission to approve
17 that utility to provide service in the areas served by the 2nd transmission and
18 distribution utility. The commission shall approve the petition if it finds the
19 following:

20 (1) The chosen transmission and distribution utility is willing to furnish service
21 to the entire municipality;

22 (2) The chosen transmission and distribution utility has the financial ability to
23 meet its obligations under this Title; and

24 (3) The chosen transmission and distribution utility is willing and able to pay a
25 fair and reasonable price, as determined by the commission, for the assets of the
26 2nd utility used to serve the municipality.

27 If the commission approves the petition, it shall, pursuant to section 1101, order the
28 2nd utility to sell its assets used to the serve the municipality to the chosen
29 transmission and distribution utility.

30 The commission may adopt rules to implement this subsection. Rules adopted to
31 implement this subsection are routine technical rules pursuant to Title 5, chapter 375,
32 subchapter 2-A.

33 **SUMMARY**

34 This bill provides a process to allow a municipality to choose a single transmission
35 and distribution utility via a referendum when that municipality is served by more than
36 one utility. The decision to hold a referendum must be made by a majority vote of the
37 municipal officials. A referendum to choose a single utility must occur during a
38 gubernatorial or presidential election in November and must be called, advertised and
39 conducted according to the law relating to municipal elections.

1 The bill also requires that the Public Utilities Commission approve a petition by the
2 municipal officials to have only one utility furnishing service in the municipality. The
3 Public Utilities Commission must approve a petition if it finds the chosen utility is willing
4 to furnish service to the entire municipality, the chosen utility has the financial ability to
5 meet its obligations under the Maine Revised Statutes, Title 35-A and the chosen utility is
6 willing and able to pay a fair and reasonable price, as determined by the commission, for
7 the assets of the 2nd utility needed to furnish service to the entire municipality. Upon
8 approval, the Public Utilities Commission is directed to order the 2nd utility to sell its
9 assets used to serve the municipality to the chosen transmission and distribution utility.
10 This bill also allows the Public Utilities Commission to adopt routine technical rules to
11 implement these provisions.