

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

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 is a telephone utility with 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 and will result in net benefits to ratepayers after considering such factors as the impact of the reorganization on rates, service, employees, customer choice and access and deployment of high-speed information technologies. 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;
- (2) That the commission has all reasonable powers to detect, identify, review and approve or disapprove all transactions between affiliated interests;
- (3) That the utility's ability to attract capital on reasonable terms, including the maintenance of a reasonable capital structure, is not impaired;
- (4) That the ability of the utility to provide safe, reasonable and adequate service is not impaired;

(5) That the utility continues to be subject to applicable laws, principles and rules governing the regulation of public utilities;

(6) That the utility's credit is not impaired or adversely affected;

(7) That reasonable limitations be imposed upon the total level of investment in nonutility business, except that the commission may not approve or disapprove of the nature of the nonutility business;

(8) That the commission has reasonable remedial power including, but not limited to, the power, after notice to the utility and all affiliated entities of the issues to be determined and the opportunity for an adjudicatory proceeding, to order divestiture of or by the utility in the event that divestiture is necessary to protect the interest of the utility, ratepayers or investors. A divestiture order ~~shall~~must provide a reasonable period within which the divestiture ~~shall~~must be completed; and

(9) That neither ratepayers nor investors are adversely affected by the reorganization.; and

(10) When a public utility that is a party to the proposed reorganization is a telephone utility with 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, that the reorganization will:

(a) Advance the economic development and information access goals of the State as set forth in section 7101, subsections 2 and 4;

(b) Result in net benefits to ratepayers after considering such factors as the impact of the reorganization on rates, service, employees, customer choice and access and deployment of high-speed information technologies; and

(c) Be consistent with the interests of the utility's investors.

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

Amend the bill in section 3 by striking out all of subsection 1-A (page 2, lines 30 to 39 in L.D.) and inserting the following:

‘1-A. Standard of approval for sales, mergers and consolidations of large utilities.

Before authorizing a merger, consolidation, sale or other disposition of property subject to subsection 1, when a public utility that is a party to the proposed transaction is a telephone utility with gross annual Maine revenues exceeding \$50,000,000 and the proposed transaction would result in a change of the ownership and control of that public utility, the commission must find that the proposal will:

A. Advance the economic development and information access goals of the State as set forth in section 7101, subsections 2 and 4;

B. Result in net benefits to ratepayers after considering such factors as the impact of the proposed transaction on rates, service, employees, customer choice and access and deployment of high-speed information technologies; and

C. Be consistent with the interests of the utility's investors.’

Amend the bill by striking out all of section 4 and inserting the following:

‘Sec. 4. Application. In accordance with the Maine Revised Statutes, Title 1, section 302, those sections of this Act that amend Title 35-A, section 708, subsection 2, paragraph A and Title 35-A, section 708, subsection 4 and enact Title 35-A, section 1101, subsection 1-A do not apply to proceedings pending before the Public Utilities Commission prior to the effective date of this Act.’

SUMMARY

This amendment changes several provisions of the bill to:

1. Limit the scope to a merger, consolidation, reorganization or sale involving a Maine telephone utility with annual revenues greater than \$50,000,000;

2. Require the applicant to establish that there will be a net benefit to ratepayers after considering such factors as the impact of reorganization on rates, service, employees, customer choice and access and deployment of high-speed information technologies;

3. Add a provision authorizing the Public Utilities Commission to impose conditions on a reorganization that is subject to the additional standards to ensure that the transaction will satisfy those standards; and

4. Specify that the changes proposed in the bill and amendment do not apply to proceedings pending before the Public Utilities Commission prior to the effective date of the legislation.