

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

An Act To Allow a Municipality To Choose Its Power Provider

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

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

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

A. The decision to hold a referendum under this subsection must be made by a majority vote of the municipal officials. The referendum must take place during a gubernatorial or presidential election in November. The referendum must be called, advertised and conducted according to the law relating to municipal elections. The municipal clerk shall prepare the required ballots, which must contain substantially the following question:

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

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

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

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

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

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

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

SUMMARY

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

The bill also requires the choice of a single utility to be approved by the Public Utilities Commission. The commission is required to approve the choice if the commission finds that the chosen utility is willing to furnish service to the entire municipality, has the financial ability to meet its obligations under the Maine Revised Statutes, Title 35-A and is willing and able to pay a fair and reasonable price, as determined by the commission, for the assets of the 2nd utility needed to furnish service to the entire municipality. Upon approval, the commission is directed to order the 2nd utility to sell its assets used to serve the municipality to the chosen transmission and distribution utility. This bill also allows the commission to adopt routine technical rules to implement these provisions.