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Legislative Document

No. 1542

H.P. 1125

House of Representatives, April 11, 2019

An Act To Allow a Municipality To Choose Its Power Provider

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

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 DENK of Kennebunk.

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

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

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

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

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

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

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

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

32 **SUMMARY**

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

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