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STATE OF MAINE

ONE HUNDRED AND TWENTY-SECOND LEGISLATURE

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STATE PUBLIC
UTIL. COMM.

June 3, 2005

Kurt Adams, Chairman
Maine Public Utilities Commission
State House Station 18
Augusta, ME 04333-0018

Dear Chairman Adams:

In the context of this committee's discussion of LD 1442, An Act to Facilitate Energy Self-sufficiency for Maine's Offshore Islands, we learned the commission is taking a case-by-case approach to its interpretation of 35-A MRSA §3207(1)(B). That provision, as you know, limits sales of wholesale generation by consumer-owned transmission and distribution utilities to "incidental sales necessary to reduce the cost of providing retail service."

We amended LD 1442 to remove the "incidental sales" limitation of §3207 with respect to Fox Islands Electric Cooperative. We did so to address an uncertainty as to whether the commission would interpret the limitation to prohibit the cooperative from selling excess power from its proposed wind power project. We understand the sales would help to offset high retail service costs resulting mainly from the new cable connection to islands.

Given some uncertainty as to the commission's interpretation of the "incidental sales" provision, we believe it would be helpful for the commission more fully to develop and articulate an interpretation of the provision. We request the commission do so and report the result to the committee.

Thank you for your attention to this matter.

Sincerely,

Philip L. Bartlett II
Senate Chair

Lawrence Bliss
House Chair

cc: Members, Joint Standing Committee on Utilities and Energy

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CHAPTER

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BY GOVERNOR

P & S LAW

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND AND FIVE

—
H.P. 1006 - L.D. 1442

**An Act To Facilitate Energy Self-sufficiency for Maine's
Offshore Islands**

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

Sec. 1. Fox Islands Electric Cooperative, Inc.; authority to sell power under certain circumstances. Notwithstanding the Maine Revised Statutes, Title 35-A, section 3207, subsection 1, paragraph B, the Fox Islands Electric Cooperative, Inc., a consumer-owned transmission and distribution company, may sell wholesale generation service in order to reduce its cost of providing retail service.