

# MAINE STATE LEGISLATURE

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January 8, 1923

To Hon. Fred F. Lawrence, Bank Commissioner  
Re: Virginian Power Company Bonds as Investment for Savings Banks

Since writing you an opinion on the question of whether the bonds of the Virginian Power Company are legal investments for savings banks in this State, I have made further investigation at the request of Verrill, Hale, Booth & Ives, and beg to submit this opinion in lieu of the opinion which I sent you dated July 27, 1922.

I based my decision on the fact that the Virginian Power Company was engaged in the wholesale development and distribution of electricity and that, therefore, under the rulings of the court of Maine, it would not be a public service corporation. I think the decision was correct and my reason for making a new ruling is that new facts have been submitted to me which show that the company is distributing electricity to users and is subject to the rules and regulations of the Public Utilities Commission of the State of West Virginia and, therefore, would come within the law creating public utilities in the State of Maine.

The law creating the Public Utilities Commission, which is now a part of Chapter 55 of the Revised Statutes and which was enacted after the decision in the case of Brown vs. Gerald, 100 Me. 351, gives two definitions in Section 15 which are pertinent to this issue. On page 913 of the Revised Statutes we find:

"The term 'electrical company' when used in this chapter, includes every corporation or person, their lessees, trustees, etc. owning controlling, operating or managing any electric plant for compensation within this State,"

and on page 915 we read,

"The term 'public utility' when used in this chapter, includes every common carrier, gas company, electrical company".

The evidence submitted to me by counsel for the Virginian Power Company satisfies me that it is an electrical company within the meaning of the Maine law and is a public utility within the Maine law and further I find that if the company was located in Maine and doing the same kind of business in Maine which it is now doing in West Virginia, it would be a public service corporation.

For the above reasons, therefore, I am of the opinion that the bonds of the Virginian Power Company are legal investments for savings banks under Chapter 52, Section 27, paragraph 1, Revised Statutes, as amended by Public Laws of 1917, Chapter 21.

Ransford W. Shaw  
Attorney General.