

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

## SECOND REGULAR SESSION - 1990

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Legislative Document

No. 1980

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S.P. 755

In Senate, December 18, 1989

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.

Received by the Secretary of the Senate on December 18, 1989. Referred to the Committee on Utilities and 1,600 ordered printed pursuant to Joint Rule 14.

A handwritten signature in cursive script, reading 'Joy J. O'Brien'.

JOY J. O'BRIEN  
Secretary of the Senate

Presented by President PRAY of Penobscot.

Cosponsored by Senator CARPENTER of York, Representative AIKMAN of Poland and Representative CLARK of Millinocket.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY

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An Act Relating to Interest Rate Swap Transactions by Public Utilities .

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

2  
35-A MRSA §902, sub-§1, as enacted by PL 1987, c. 141, Pt.  
4 A, §6, is amended to read:

6 1. **Order authorizing issuance.** No public utility may make  
an issuance as described in section 901, except as provided in  
8 section 906, unless it has made a written application, setting  
forth information the commission may require and has secured from  
10 the commission an order authorizing the issue and the amount of  
the issue and stating that in the opinion of the commission the  
12 proceeds of the issuance of the stocks, bonds, notes or other  
evidences of indebtedness is required in good faith for purposes  
14 enumerated in section 901. An interest rate swap transaction  
shall not constitute an issuance requiring the authorization of  
16 the commission under this chapter.

18  
19  
20 **STATEMENT OF FACT**

22 The Maine Revised Statutes, Title 35-A is unclear as to  
24 whether interest rate swap transactions require prior approval of  
the Public Utilities Commission under Title 35-A, sections 901  
26 and 902. The purpose of this bill is to establish clearly that  
transactions entered into by public utilities to manage interest  
28 costs are not within the scope of the securities issuances that  
require advance approval of the commission under those sections.  
30