

MAINE STATE LEGISLATURE

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MAJORITY
UTILITIES AND ENERGY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1037, L.D. 1456, Bill, "An Act to Further Encourage Electric Rate Stabilization"

Amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting in its place the following:

'Sec. 1. 10 MRSA §1053, sub-§6, as amended by PL 1995, c. 4, §8, is further amended to read:

6. **Securities outstanding.** The authority may not have at any one time outstanding revenue obligation securities to which subsection 5 is stated in the trust agreement or other document to apply in principal amount exceeding an amount equal to \$150,000,000 less the aggregate outstanding balance of mortgage loans secured by capital reserve funds pursuant to section 1032. Notwithstanding any other provision of this subsection, the authority may additionally have outstanding at any one time up to ~~\$120,000,000~~ \$264,000,000 of bonds under this subchapter relating to loans for electric rate stabilization projects, consisting of not more than \$220,000,000 for loans and up to \$44,000,000 for use of bond proceeds to fund capital reserve funds and \$120,000,000 of bonds under this subchapter relating to loans for major business expansion projects, ~~in-each-case~~ consisting of not more than \$100,000,000 for loans and up to \$20,000,000 for use of bond proceeds to fund capital reserve funds. The amount of revenue obligation securities issued to refund securities

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2 previously issued may not be taken into account in determining
the principal amount of securities outstanding, provided that
4 proceeds of the refunding securities are applied as promptly as
possible to the refunding of the previously issued securities.
6 In computing the total amount of revenue obligation securities of
the authority that may at any time be outstanding for any
purpose, the amounts of the outstanding revenue obligation
8 securities that have been issued as capital appreciation bonds or
as similar instruments are valued as of any date of calculation
10 at their then current accreted value rather than their face value.

12 **Sec. 2. 35-A MRSA §3156, first and last ¶¶**, as enacted by PL
1993, c. 712, §6, are amended to read:

14 The commission may issue a certificate of approval for an
16 electric rate stabilization agreement, following submission to it
of an application for approval, in the form and with any
18 supporting data as the commission may require. The commission
shall issue or deny the certification within 30 60 days of
20 receipt of an application.

22 A certificate may not be issued under this section after May
1, ~~1995~~ February 1, 1996.

24 **Sec. 3. PL 1993, c. 712, §8** is amended to read:

26 **Sec. 8. Loans authorized.** The Finance Authority of Maine may
28 make loans to electric utilities for electric rate stabilization
projects, as defined in the Maine Revised Statutes, Title 10,
30 section 963-A from up to ~~\$100,000,000~~ \$220,000,000 of the
proceeds of revenue obligation securities secured by capital
32 reserve funds pursuant to Title 10, section 1053.
Notwithstanding any provision of Title 10, chapter 110, loans may
34 aggregate up to ~~\$100,000,000~~ \$220,000,000 plus an amount
determined by the Finance Authority of Maine of up to an
36 additional aggregate of ~~\$20,000,000~~ \$44,000,000 to fund any
capital reserve fund established by the authority for these
38 loans. Revenue obligation securities secured by capital reserve
funds pursuant to Title 10, section 1053 relating to such loans
40 may not be issued for an electric rate stabilization agreement,
as defined in Title 35-A, section 3156, executed after May 1,
42 1995 1996. Any revenue obligation securities issued for electric
rate stabilization projects secured by capital reserve funds
44 pursuant to Title 10, section 1053 are limited obligations of the
Finance Authority of Maine payable from revenues from borrowers
46 and any capital reserve funds pledged for those securities as
those funds are administered under Title 10, chapter 110,
48 subchapter III and are not payable from any other assets or funds
of the Finance Authority of Maine. In addition to all other

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2 applicable provisions, the requirements of Title 10, section
3 1045-A apply to loans for electric rate stabilization projects.

4 **Sec. 4. PL 1993, c. 712, §9** is amended to read:

6 **Sec. 9. Reports.** The Finance Authority of Maine shall report
7 by ~~April--15,--1995~~ February 1, 1996 to the joint standing
8 committee of the Legislature having jurisdiction over utilities
9 matters on all loans made to electric utilities for electric rate
10 stabilization projects, as defined in the Maine Revised Statutes,
11 Title 10, section 963-A. The report must identify each loan
12 made, to whom the loan was made, the amount of the loan and the
13 general description of the electric rate stabilization project
14 for which the loan was made. The report may include
15 recommendations for extending the period during which loans to
16 electric utilities may be made or any other suggestions for
17 changes to the provisions of this Act. The Public Utilities
18 Commission shall report by ~~April-15,--1995~~ February 1, 1996 to the
19 joint standing committee of the Legislature having jurisdiction
20 over utilities matters on all electric rate stabilization
21 agreements for which an application for a certificate of approval
22 has been processed pursuant to Title 35-A, section 3156. The
23 report must identify the number of applications received by the
24 commission, the identity of the applicants, a general description
25 of each application and, for each application, whether the
26 application was approved or denied. The report may include
27 recommendations for extending the period during which
28 certificates of approval may be issued to electric utilities or
29 any other suggestions for changes to the provisions of this Act.

30 **Sec. 5. Retroactivity.** This Act applies retroactively to May
31 1, 1995.'

34 Further amend the bill by inserting at the end before the
35 statement of fact the following:

36 **FISCAL NOTE**

38
39 Increasing the authority of the Finance Authority of Maine
40 to have \$264,000,000 of taxable bonds for electric rate
41 stabilization projects outstanding at any one time increases the
42 moral obligation of the State. In case of a default by a
43 borrower, future General Fund appropriations for debt service may
44 be required.

46 The Public Utilities Commission will incur some minor
47 additional costs associated with the program extension and
48 expansion. These costs can be absorbed within the commission's
existing budgeted resources.'

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STATEMENT OF FACT

This amendment, which is the majority report of the Joint Standing Committee on Utilities and Energy, increases the amount in bonds that may be issued for loans by the Finance Authority of Maine for electric rate stabilization projects from the \$200,000,000 proposed in the bill to \$220,000,000. It also increases the amount of bond proceeds that may be used to fund capital reserve funds from the \$40,000,000 proposed in the bill to \$44,000,000. This amendment increases the period in which the Public Utilities Commission must issue or deny a certificate approving a utility proposal to enter into an electric rate stabilization agreement from 30 days to 60 days. This amendment makes technical changes and adds a fiscal note.