

MAINE STATE LEGISLATURE

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m
R.O.S.

L.D. 2220

2 DATE: *November 13, 2002* (Filing No. S-*631*)
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10 **STATE OF MAINE**
SENATE
12 **120TH LEGISLATURE**
FIRST SPECIAL SESSION

14 SENATE AMENDMENT "*C*" to COMMITTEE AMENDMENT "A" to H.P.
16 1746, L.D. 2220, Bill, "An Act to Make Supplemental
18 Appropriations and Allocations for the Expenditures of State
20 Government and to Change Certain Provisions of the Law Necessary
to the Proper Operations of State Government for the Fiscal Year
Ending June 30, 2003"

22 Amend the amendment by striking out all of Part M.

24 Further amend the amendment by inserting after Part RR the
following:

26
28 **PART SS**

30 **Sec. SS-1. 10 MRSA §1053, sub-§6**, as repealed and replaced by
PL 1999, c. 531, Pt. G, §1, is amended to read:

32 **6. Securities outstanding.** The principal amount of revenue
34 obligation securities the authority may have outstanding at any
36 one time, to which subsection 5 is stated to apply in the trust
agreement or other document, may not exceed an aggregate
principal amount equal to ~~\$777,000,000~~ \$877,000,000 as follows:

38
40 A. The sum of \$330,000,000 consisting of not more than
42 \$275,000,000 for loans and up to \$55,000,000 for use of bond
proceeds to fund capital reserve funds for revenue
obligation securities issued pursuant to this subchapter
relating to loans for electric rate stabilization projects;

44 B. The sum of \$120,000,000 consisting of not more than

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2 \$100,000,000 for loans and up to \$20,000,000 for use of bond
proceeds to fund capital reserve funds for revenue
4 obligation securities issued pursuant to this subchapter
relating to loans for major business expansion projects;

6 C. The sum of \$57,000,000 consisting of not more than
\$45,000,000 for loans and up to \$12,000,000 for use of bond
8 proceeds to fund capital reserve funds for revenue
obligation securities issued pursuant to this subchapter
10 relating to workers' compensation residual market mechanism
projects;

12 D. The sum of \$150,000,000 less the aggregate outstanding
balance of mortgage loans secured by capital reserve funds
14 pursuant to section 1032 for all other revenue obligation
securities issued pursuant to this subchapter; and

18 E. The sum of \$120,000,000 consisting of not more than
\$100,000,000 for loans and up to \$20,000,000 for use of bond
20 proceeds to fund capital reserve funds for revenue
obligation securities issued pursuant to this subchapter
22 relating to loans for paper industry job retention projects;
; and

24 F. The sum of \$100,000,000 consisting of not more than
26 \$85,000,000 for loans and up to \$15,000,000 for use of bond
proceeds to fund capital reserve funds for revenue
28 obligation securities issued pursuant to this subchapter
relating to loans for transmission facilities projects.

30 The amount of revenue obligation securities issued to refund
32 securities previously issued may not be taken into account in
determining the principal amount of securities outstanding, as
34 long as proceeds of the refunding securities are applied as
promptly as possible to the refunding of the previously issued
36 securities. In computing the total amount of revenue obligation
securities of the authority that may at any time be outstanding
38 for any purpose, the amounts of the outstanding revenue
obligation securities that have been issued as capital
40 appreciation bonds or as similar instruments are valued as of any
date of calculation at their then current accreted value rather
42 than their face value.

44 **Sec. SS-2. 10 MRSA §9202, sub-§1, as enacted by PL 1999, c.**
513, §6, is amended to read:

46 **1. Establishment and purpose.** The Northern Maine
48 Transmission Corporation is established as a body corporate and
politic and public instrumentality of the State. The corporation
50 is a special purpose corporation formed and managed as a

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2 subsidiary of the authority. The exercise by the corporation of
3 the powers conferred by this chapter shall--be is deemed the
4 performance of essential public functions. The purpose of the
5 corporation is to examine the need for and viability of and to
6 finance, permit, construct, own and operate electric transmission
7 lines and natural gas transmission lines necessary to connect
8 electric utilities and natural gas customers in the northern
9 region of the State with the electric transmission grid and
10 natural gas transmission system of the United States in a manner
11 adequate, in the opinion of the authority, to allow customers
12 serviced by those electric and gas utilities to receive the
13 benefits of service similar to all other electric and natural gas
14 customers in this State.

15 **Sec. SS-3. 10 MRSA §9203, sub-§3**, as enacted by PL 1999, c.
16 513, §6, is amended to read:

17 **3. Acceptance of proposals for connections.** The
18 corporation shall request and receive proposals from public and
19 private entities to finance, permit, construct or operate any
20 natural gas or electric transmission lines necessary to connect
21 electric utilities and natural gas customers in the northern part
22 of the State with the transmission grid and natural gas
23 transmission system of the United States, and may approve those
24 proposals if they are in keeping with the intent of this chapter.

25 **Sec. SS-4. 10 MRSA §9203, sub-§4** is enacted to read:

26 **4. Conduct studies.** The corporation may conduct such
27 studies, including but not limited to feasibility studies, as may
28 be necessary and convenient to the performance of its duties.'

29 Further amend the amendment by relettering or renumbering
30 any nonconsecutive Part letter or section number to read
31 consecutively.

32 **FISCAL NOTE**

33 This amendment will increase the General Fund cost of the
34 bill by \$235,333 in fiscal year 2002-03.

35 This amendment also increases the Finance Authority of
36 Maine's revenue obligation securities limit from \$777,000,000 to
37 \$877,000,000. Authorizing the issuance of \$100,000,000 extends
38 the moral obligation of the State.

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SUMMARY

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This amendment accomplishes the following.

It removes from Committee Amendment "A" that part of the amendment that would transfer \$235,333 from the Northern Maine Transmission Corporation Fund in the Finance Authority of Maine to the General Fund as undedicated revenue no later than June 30, 2003.

Public Law 1999, chapter 513 authorized the Finance Authority of Maine to issue up to \$35,000,000 in bonds to finance the construction of transmission lines. This authorization was repealed before it took effect by Public Law 1999, chapter 531. This amendment reinstates that authority and increases the bonding limit to \$100,000,000.

It expands the scope of the Northern Maine Transmission Corporation to include natural gas transmission lines. It also enacts new language to allow the Northern Maine Transmission Corporation to conduct studies.

SPONSORED BY: *DP Bennett for Senator Kneeland*
(Senator KNEELAND)

COUNTY: Aroostook