

"AN ACT TO AMEND SECTION 3 OF ACT 231 OF 1973; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. It is hereby found and determined by the General Assembly that the issuance of stocks, bonds, notes and other evidences of indebtedness by utilities is often necessary and appropriate in the course of prudent and effective financial management of the utilities; that it is particularly important that utilities be able to respond to rapidly changing economic conditions in a prompt manner after obtaining necessary approvals from the Arkansas Public Service Commission; that while questions have been raised concerning the necessity for a utility to await the expiration of statutory time periods provided for applications for rehearing or notices of appeal following issuance of an order of the Arkansas Public Service Commission approving issuance of the stocks, bonds, notes or other evidences of indebtedness, it was not the intent of the Legislature to require expiration of such periods before a utility could issue valid stocks, bonds, notes or other evidences of indebtedness; it is therefore appropriate to include amendatory language in the relevant statute to make clear what the Legislature has intended from the initial passage of such statutes.

SECTION 2. Subsection (c) of Section 3 of Act 231 of 1973 as amended, the same being Arkansas Statutes 73-229.1, is hereby amended to read as follows:

"(c) The filing of an application for rehearing under subsection (a) of this section shall not, unless specifically ordered by the Commission, operate as a stay of the Commission's order. The commencement of proceedings under subsection (b) of this section shall not, unless specifically ordered by the Court of Appeals, operate as a stay of the Commission's order. The Court of Appeals may enter an order suspending or staying the operation of an order of the Commission pending review of such order provided the other parties are adequately secured against loss due to the delay in the enforcement of the order, in case the order involved is affirmed; the security to take such form as shall be directed by the Court. Provided, however, any provision of this Act notwithstanding, if the Commission order involves rate changes which have already been made effective under bond pursuant to Section 18 of Act 324, Arkansas Acts of 1935, as amended, then said order shall take effect not less than twenty (20) days following service. If in this period an application for rehearing is filed, then such order shall be stayed until such time as the application is ruled on and any judicial appeals are concluded.

Stocks or stock certificates, bonds, notes or other evidences of indebtedness issued pursuant to and in accordance with an order of the Commission shall be valid and binding in accordance with their terms, notwithstanding that such order of the Commission may be or is later abrogated, vacated, changed, modified, or otherwise held to be wholly or partially invalid, unless prior to such issuance the operation or effectiveness of such order has been stayed or suspended by the Commission or a reviewing court."

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 3. EMERGENCY. It is hereby found and determined by the General

Assembly that the ability of utilities to react promptly to rapidly changing economic conditions through the issuance of stocks, bonds, notes and other evidences of indebtedness, as approved by the Commission, is in the best interests of utility ratepayers and the public in general and that this Act is designed to permit them to do so and should be given effect immediately. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: 3/17/87

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