



General Assembly

February Session, 2004

**Raised Bill No. 147**

LCO No. 656

\*00656\_\_\_\_\_ET\_\*

Referred to Committee on Energy and Technology

Introduced by:  
(ET)

**AN ACT CONCERNING RATE TREATMENT OF CERTAIN PROPERTY TAX ADJUSTMENTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16-19e of the general statutes is amended by  
2 adding subsection (h) as follows (*Effective from passage*):

3 (NEW) (h) The department shall, upon application or upon its own  
4 motion, modify a rate plan for any gas or electric public service  
5 company that has (1) as part of its existing rate plan, an earnings  
6 sharing mechanism, and (2) has personal property, the value of which  
7 has increased or decreased due to a change in the valuation  
8 methodology used by a municipality for the purpose of assessment of  
9 municipal property taxes. Such modification shall increase or decrease  
10 revenue requirements in an amount necessary to reflect the amount of  
11 increase or decrease in property taxes and, in the case of an increase, to  
12 reflect no more than the amount of increase that is the result of  
13 valuation of said property at its net book value. Where the valuation of  
14 the property for tax purposes exceeds net book value, the department  
15 may only increase revenue requirements necessary to reflect the  
16 amount of taxes that results from the higher than net book valuation

17 after a final judgment from a Superior Court that determines the  
18 market value of such property or upon the approval by the department  
19 of a settlement of a company's tax liability that the department  
20 determines is in the interest of the company and its customers.

This act shall take effect as follows:	
Section 1	<i>from passage</i>

**Statement of Purpose:**

To allow the Department of Public Utility Control to modify a rate plan of a gas or electric public service company that has an earnings sharing mechanism where such company's personal property taxes have changed.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*