



General Assembly

Amendment

February Session, 2004

LCO No. 4449

HB0541604449HDO

Offered by:

REP. STILLMAN, 38th Dist.
REP. DELGOBBO, 70th Dist.
REP. CARON, 44th Dist.
REP. JOHNSTON, 51st Dist.
SEN. DAILY, 33rd Dist.

To: Subst. House Bill No. 5416

File No. 583

Cal. No. 395

**"AN ACT CONCERNING USE OF ELECTRIC RATE REDUCTION
BONDS FOR GENERAL FUND PURPOSES."**

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Subsection (a) of section 12-264 of the general statutes is
4 repealed and the following is substituted in lieu thereof (*Effective May*
5 *1, 2003*):

6 (a) Each (1) Connecticut municipality or department or agency
7 thereof, or Connecticut district, manufacturing, selling or distributing
8 gas or electricity to be used for light, heat or power, in this chapter and
9 in chapter 212a called a "municipal utility", (2) company the principal
10 business of which is manufacturing, selling or distributing gas or
11 steam to be used for light, heat or power, including each foreign

12 municipal electric utility, as defined in section 12-59, and given
13 authority to engage in business in this state pursuant to the provisions
14 of section 16-246c, and (3) company required to register pursuant to
15 section 16-258a, as amended, shall pay a quarterly tax upon gross
16 earnings from such operations in this state. Gross earnings from such
17 operations under subdivisions (1) and (2) of this subsection shall
18 include (A) all income classified as operating revenues by the
19 Department of Public Utility Control in the uniform systems of
20 accounts prescribed by said department for operations within the
21 taxable quarter and, with respect to each such company, (B) all income
22 classified in said uniform systems of accounts as income from
23 merchandising, jobbing and contract work, (C) income from nonutility
24 operations, (D) revenues from lease of physical property not devoted
25 to utility operation, and (E) receipts from the sale of residuals and
26 other by-products obtained in connection with the production of gas,
27 electricity or steam. Gross earnings from such operations under
28 subdivision (3) of this subsection shall be gross income from the sales
29 of natural gas, provided gross income shall not include income from
30 the sale of natural gas to an existing combined cycle facility comprised
31 of three gas turbines providing electric generation services, as defined
32 in section 16-1, and with a total capacity of 775 megawatts for use in
33 the production of electricity when such gas is transported directly to
34 the facility from an interstate pipeline subject to the jurisdiction of the
35 Federal Energy Regulatory Commission. Gross earnings of a gas
36 company, as defined in section 16-1, as amended, shall not include
37 income earned in a taxable quarter commencing prior to June 30, 2004,
38 from the sale of natural gas or propane as a fuel for a motor vehicle.
39 No deductions shall be allowed from such gross earnings for any
40 commission, rebate or other payment, except a refund resulting from
41 an error or overcharge and those specifically mentioned in section 12-
42 265. Gross earnings of a company as described in subdivision (2) of
43 this subsection shall not include income earned in any taxable quarter
44 commencing on or after July 1, 2000, from the sale of steam."