



House of Representatives

File No. 115

General Assembly

January Session, 2005

(Reprint of File No. 64)

Substitute House Bill No. 6029
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 1, 2005

**AN ACT CONCERNING MAXIMIZATION OF THE VALUE OF
ELECTRIC UTILITY RATEPAYER ASSETS IN DISPOSITION OR
LEASING.**

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

1 Section 1. Subsection (a) of section 16-43 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2005*):

4 (a) A public service company shall obtain the approval of the
5 Department of Public Utility Control to directly or indirectly (1) merge,
6 consolidate or make common stock with any other company, or (2)
7 sell, lease, assign, mortgage, except by supplemental indenture in
8 accord with the terms of a mortgage outstanding May 29, 1935, or
9 otherwise dispose of any essential part of its franchise, plant,
10 equipment or other property necessary or useful in the performance of
11 its duty to the public. Any such disposition of an essential part of such
12 other real property of a public service company shall be by public
13 auction or other procedure for public sale, provided such auction or
14 public sale shall be conducted upon notice of auction or sale published
15 at least once each week for two weeks preceding the date of such

16 auction or sale in a newspaper having a substantial circulation in the
 17 county in which such property is located. The public service company
 18 shall submit evidence to the department of the notice given. On a
 19 showing of good cause by such company to use a means of disposal
 20 other than by public auction or other procedure for public sale, the
 21 department may, on a finding of such good cause, authorize the use of
 22 an alternative sales process. A public service company other than a
 23 water company may sell, lease, assign, mortgage or otherwise dispose
 24 of improved real property with an appraised value of two hundred
 25 fifty thousand dollars or less or unimproved real property with an
 26 appraised value of fifty thousand dollars or less without such
 27 approval. The department shall follow the procedures in section 16-50c
 28 for transactions involving unimproved land owned by a public service
 29 company other than a water company. A water company supplying
 30 water to more than five hundred consumers may sell, lease, assign,
 31 mortgage, or otherwise dispose of real property, other than public
 32 watershed or water supply lands, with an appraised value of fifty
 33 thousand dollars or less without such approval. The department shall
 34 not accept an application to sell watershed or water supply lands until
 35 the Commissioner of Public Health issues a permit pursuant to section
 36 25-32. The condemnation by a state department, institution or agency
 37 of any land owned by a public service company shall be subject to the
 38 provisions of this subsection. On February 1, 1996, and annually
 39 thereafter, each public service company shall submit a report to the
 40 Department of Public Utility Control of all real property sold, leased,
 41 assigned, mortgaged, or otherwise disposed of without the approval of
 42 said department during the previous calendar year. Such report shall
 43 include for each transaction involving such property, without
 44 limitation, the appraised value of the real property, the actual value of
 45 the transaction and the accounting journal entry which recorded the
 46 transaction.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2005	16-43(a)

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill as amended makes various changes to the process of sale or other disposition of an essential part of a utility regulated by the Department of Public Utility Control (DPUC). It has no fiscal impact.

House "A" removes personal property from the provisions of the bill. This has no fiscal impact.

OLR Bill Analysis

sHB 6029 (as amended by House "A") *

AN ACT CONCERNING MAXIMIZATION OF THE VALUE OF ELECTRIC UTILITY RATEPAYER ASSETS IN DISPOSITION OR LEASING**SUMMARY:**

This bill generally requires that any sale or other disposition of real property that is an essential part of a utility regulated by the Department of Public Utility Control (DPUC) be done by public auction or other public sale procedure. (By law, such dispositions require DPUC approval.) The bill gives DPUC the authority to allow the utility to use an alternative sale process if it makes a finding of good cause.

The bill requires that there be notice of the auction or sale at least once per week in the two weeks before the auction or sale. The notice must run in a newspaper with substantial circulation in the county where the property is located. The utility must give DPUC evidence that it provided the notice.

*House Amendment "A" exempts dispositions of personal property from the bill's.

EFFECTIVE DATE: July 1, 2005

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Report

Yea 17 Nay 0