



General Assembly

February Session, 2006

Raised Bill No. 569

LCO No. 2689

02689_____ET_

Referred to Committee on Energy and Technology

Introduced by:
(ET)

**AN ACT CONCERNING REVISIONS TO THE UTILITY STATUTES IN
RESPONSE TO THE 2005 FEDERAL ENERGY ACT.**

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

1 Section 1. Section 16-22 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2006*):

3 At any hearing involving a rate or the transfer of ownership of
4 assets or a franchise of a public service company, or the formation or
5 change in control of a holding company, as defined in section 16-47, as
6 amended by this act, that involves a public service company within
7 this state, the burden of proving that [said] the rate under
8 consideration is just and reasonable or that [said] the transfer of assets
9 or franchise or that the change in control or formation of a holding
10 company is just and reasonable and is in the public interest shall be on
11 the public service company or the applicant company. The provisions
12 of this section shall not apply to the regulation of a
13 telecommunications service which is a competitive service, as defined
14 in section 16-247a.

15 Sec. 2. Subsection (d) of section 16-47 of the general statutes is

16 repealed and the following is substituted in lieu thereof (*Effective*
17 *October 1, 2006*):

18 (d) The Department of Public Utility Control shall investigate and
19 hold a public hearing on the question of granting its approval with
20 respect to any application made under subsection (b) or (c) of this
21 section and thereafter may approve or disapprove any such
22 application in whole or in part and upon such terms and conditions as
23 it deems necessary or appropriate, including, but not limited to, orders
24 that effectuate a rate reduction or sharing of merger-related savings
25 between shareholders and ratepayers. In connection with its
26 investigation, the department may request the views of the gas,
27 electric, electric distribution, water, telephone or community antenna
28 television company or holding company which is the subject of the
29 application with respect to the proposed acquisition. After the filing of
30 an application satisfying the requirements of such regulations as the
31 department may adopt in accordance with the provisions of chapter
32 54, but not later than thirty business days after the filing of such
33 application, the department shall give prompt notice of the public
34 hearing to the person required to file the application and to the subject
35 company or holding company. Such hearing shall be commenced as
36 promptly as practicable after the filing of the application, but not later
37 than thirty business days after the filing, and the department shall
38 make its determination as soon as practicable, but not later than one
39 hundred twenty days after the filing of the application unless the
40 person required to file the application agrees to an extension of time.
41 The department may, in its discretion, grant the subject company or
42 holding company the opportunity to participate in the hearing by
43 presenting evidence and oral and written argument. If the department
44 fails to give notice of its determination to hold a hearing, commence
45 the hearing, or render its determination after the hearing within the
46 time limits specified in this subdivision, the proposed acquisition shall
47 be deemed approved. In each proceeding on a written application
48 submitted under [said] subsection (b) or (c) of this section, the
49 department shall, in a manner which treats all parties to the

50 proceeding on an equal basis, take into consideration (1) the financial,
51 technological and managerial suitability and responsibility of the
52 applicant, (2) the ability of the gas, electric, electric distribution, water,
53 telephone or community antenna television company or holding
54 company which is the subject of the application to provide safe,
55 adequate and reliable service to the public through the company's
56 plant, equipment and manner of operation if the application were to be
57 approved, [and] (3) for an application concerning a telephone
58 company, the effect of approval on the location and accessibility of
59 management and operations and on the proportion and number of
60 state resident employees, and (4) the benefits to ratepayers and the
61 citizens of the state. Such benefits may include, but shall not be limited
62 to, rate reductions or the sharing of proposed merger savings with
63 ratepayers.

64 Sec. 3. Subsection (b) of section 16-6a of the 2006 supplement to the
65 general statutes is repealed and the following is substituted in lieu
66 thereof (*Effective October 1, 2006*):

67 (b) For any proceeding before the Federal Energy Regulatory
68 Commission, the United States Department of Energy or the United
69 States Nuclear Regulatory Commission, or appeal thereof, the
70 Attorney General, upon request of the department, may retain outside
71 legal counsel in accordance with section 3-125 and may retain nonlegal
72 consultants to assist the department staff in the proceedings to
73 participate in such proceedings on behalf of the department. All
74 reasonable and proper expenses of such outside legal counsel shall be
75 borne by the public service companies, certified telecommunications
76 providers, electric suppliers or gas registrants that are affected by the
77 decisions of such proceedings and shall be paid at such times and in
78 such manner as the department directs, provided such expenses shall
79 be apportioned in proportion to the revenues of each affected entity as
80 reported to the department for purposes of section 16-49 for the most
81 recent period, and provided further such expenses shall not exceed
82 two hundred fifty thousand dollars per proceeding, including any

83 appeals thereof, in any calendar year unless the department finds good
84 cause for exceeding the limit and the affected entities have an
85 opportunity, after reasonable notice, to comment on the proposed
86 overage. All such legal expenses shall be recognized by the department
87 as proper business expenses of the affected entities for rate-making
88 purposes, as provided in section 16-19e, if applicable.

89 Sec. 4. Sections 16-243a, 16-243b, 16-243c, 16-243d, 16-243e, 16-243f
90 and 16-243g of the general statutes are repealed. (*Effective October 1,*
91 *2006*)

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2006</i> | 16-22 |
| Sec. 2 | <i>October 1, 2006</i> | 16-47(d) |
| Sec. 3 | <i>October 1, 2006</i> | 16-6a(b) |
| Sec. 4 | <i>October 1, 2006</i> | Repealer section |

Statement of Purpose:

To make certain changes to the public utility statutes in response to recent federal energy legislation.

[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.]