



General Assembly

**Substitute Bill No. 569**

February Session, 2006

\* \_\_\_\_\_SB00569PD\_\_\_\_\_041106\_\_\_\_\_\*

**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 Section 16-22 of the general statutes is repealed and the  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16 repealed and the following is substituted in lieu thereof (*Effective*  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. Section 16-18a of the general statutes is amended by adding  
65 subsection (d) as follows (*Effective October 1, 2006*):

66 (NEW) (d) For any proceeding before the Federal Energy  
67 Regulatory Commission, the United States Department of Energy, the  
68 United States Nuclear Regulatory Commission, the United States  
69 Securities and Exchange Commission, the Federal Trade Commission,  
70 the United States Department of Justice or the Federal  
71 Communications Commission, the department may retain consultants  
72 to assist its staff in such proceedings by providing expertise in areas in  
73 which staff expertise does not currently exist or when necessary to  
74 supplement staff expertise. All reasonable and proper expenses of such  
75 expert consultants shall be borne by the public service companies,  
76 certified telecommunications providers, electric suppliers or gas  
77 registrants that are affected by the decisions of such proceedings and  
78 shall be paid at such times and in such manner as the department  
79 directs, provided such expenses shall be apportioned in proportion to  
80 the revenues of each affected entity as reported to the department for  
81 purposes of section 16-49 for the most recent period, and provided  
82 further such expenses shall not exceed two hundred fifty thousand  
83 dollars per proceeding, including any appeals thereof, in any calendar  
84 year unless the department finds good cause for exceeding the limit  
85 and the affected entities have an opportunity, after reasonable notice,  
86 to comment on the proposal to exceed the limit. All such legal

87 expenses shall be recognized by the department as proper business  
88 expenses of the affected entities for rate-making purposes, as provided  
89 in section 16-19e, if applicable.

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>	16-18a

**ET**            *Joint Favorable Subst.*

**PD**            *Joint Favorable*