



General Assembly

Substitute Bill No. 5467

February Session, 2010

* _____HB05467ET_FIN032410_____*

AN ACT CONCERNING CUSTOMER REBATES FOR ELECTRICITY RATEPAYERS.

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

1 Section 1. (NEW) (*Effective from passage and applicable to profits*
2 *generated on or after January 1, 2010*) (a) Each company that owns an
3 electric generating plant located in the state, including any affiliates or
4 subsidiaries of such company, whether those affiliates or subsidiaries
5 are located within the state or outside the state, shall pay a quarterly
6 tax of fifty per cent upon windfall profits, as described in subsections
7 (b) and (c) of this section, from the generation, manufacture, sale or
8 other disposition of electricity or rights to electricity generated or
9 manufactured at such electric generating plant located in the state.

10 (b) Windfall profits of a company from the generation, manufacture,
11 sale or other disposition of electricity or rights to electricity shall
12 include all earnings in excess of twenty per cent return on equity, as
13 classified by the Federal Energy Regulatory Commission according to
14 the uniform systems of accounts prescribed in 18 CFR Part 101,
15 accounted for as if the company owning an electric generating plant
16 located in the state and any of its affiliates or subsidiaries maintained
17 their books and records according to such uniform system of accounts,
18 for operations within the taxable quarter.

19 (c) (1) With respect to each company that owns an electric

20 generating plant located in the state, in calculating earnings for the
21 purpose of the windfall profits tax, those earnings shall include all
22 revenue derived by such company and any affiliate or subsidiary of
23 such company owning an electric generating plant located in the state,
24 whether the affiliate or subsidiary is located within or outside of the
25 state, from the sale or other disposition of electricity or rights to
26 electricity from the electric generating plant located in the state to any
27 buyer in any state.

28 (2) Revenue derived from the sale or other disposition of electricity
29 or rights to electricity from a generating plant located in the state by
30 any affiliate or subsidiary of a company that owns such electric
31 generating plant, whether or not such affiliate or subsidiary is located
32 in the state, shall be attributed to the revenue of the company that
33 owns the electric generating plant located in the state as if the sale or
34 other disposition of electricity or rights to electricity by such affiliate or
35 subsidiary were made directly by the company that owns the electric
36 generating plant located in the state.

37 (3) In calculating earnings subject to the windfall profits tax,
38 revenue from such company and such affiliates or subsidiaries
39 attributed to an electric generating plant located in the state shall be
40 reduced by the reasonable operating expenses of such company and
41 affiliate or subsidiary properly allocated to the sale or other disposition
42 of electricity or rights to electricity which is generated or manufactured
43 by the electric generating plant located in the state and is to be
44 determined as if the affiliate or subsidiary were subject to the uniform
45 system of accounts prescribed by the Federal Energy Regulatory
46 Commission in 18 CFR Part 101 for regulated entities.

47 (d) Each company that owns an electric generating plant located in
48 the state shall, on or before the last day of January, April, July and
49 October of each year, render to the Commissioner of Revenue Services
50 a return on forms prescribed or furnished by the commissioner and
51 signed by its treasurer or the person performing the duties of
52 treasurer, or by an authorized agent or officer, specifying (1) the name

53 and location of such company or affiliate or subsidiary of such
54 company, (2) the amount of all revenue derived from the generation,
55 manufacture, sale or other disposition of electricity or the rights to
56 electricity from the electric generating plant located in the state, by
57 such company or any of its affiliates or subsidiaries and the amount of
58 reasonable operating expenses for the quarter ending on the last day of
59 the preceding month, (3) the return on equity from the generation,
60 manufacture, sale or other disposition of electricity or rights to
61 electricity, (4) the earnings in excess of a twenty per cent return on
62 equity from the generation, manufacture or sale of electricity or the
63 rights to electricity, and (5) the tax due to the state on the windfall
64 profits.

65 (e) Each such company shall pay a quarterly tax upon its windfall
66 profits in each calendar quarter at the rate of fifty per cent.

67 (f) The tax imposed by chapter 208 of the general statutes is due and
68 payable to the Commissioner of Revenue Services quarterly on or
69 before the last day of the month next succeeding each calendar quarter.

70 Sec. 2. (NEW) (*Effective from passage*) (a) There is established an
71 account to be known as the "electricity ratepayers relief account" which
72 shall be a separate, nonlapsing account of the General Fund. The
73 proceeds of the tax imposed pursuant to section 1 of this act shall be
74 deposited into the account. Investment earnings credited to the assets
75 of the account shall become part of the assets of the account. Any
76 balance remaining in said account at the end of any fiscal year shall be
77 carried forward in said account for the fiscal year next succeeding.

78 (b) The Department of Public Utility Control shall conduct a
79 contested case proceeding in accordance with the provisions of chapter
80 54 of the general statutes to disburse funds from the electricity
81 ratepayers relief account in a manner to directly reduce electricity
82 ratepayers' electric bills.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage and applicable to profits generated on or after January 1, 2010</i>	New section
Sec. 2	<i>from passage</i>	New section

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Joint Favorable Subst. C/R

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