



CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION

**Testimony of Kevin R. Hennessy
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The Connecticut Business & Industry Association
Before the Energy & Technology Committee
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My name is Kevin Hennessy. I am assistant counsel for the Connecticut Business and Industry Association (CBIA). CBIA represents approximately 10,000 member companies in virtually every industry. They range from small, family owned businesses to large, multi-national corporations.

Thank you for the opportunity to comment on:

- **SB-1140, AAC The Department of Public Utility Control's Jurisdiction**

SB 1140, AAC *The Department of Public Utility Control's Jurisdiction*, expands when a business entity needs approval from the Department of Public Utility Control (DPUC) to undertake certain actions. For example, the bill would now require written application and approval of the DPUC for the following business actions:

- Any action that would cause its shareholders to own at least one hundred percent of the shares of a holding company;
- Any action that would result in more than twenty-five per cent of the members on a board of directors of a holding company being replaced;
- Any action that would result in at least a twenty-five per cent increase in the number of positions on the board of directors of a holding company.

CBIA is concerned that this bill establishes a dangerous precedent of state regulation and oversight of normal business operations. Such a bill, if enacted, is counter to the State's recent claims about being "open for business."

The DPUC's general function is to regulate public utilities as to reasonable rates and charges. This is necessary and in the best interest of business and residential consumers.

However, interjecting the DPUC into the oversight and approval of normal business actions, such as the management of the company, far exceeds its authority and need. It does



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not provide consumer protections and instead harms Connecticut's business climate by expanding the state's role in corporate governance matters.

CBIA encourages the Committee to reject this bill. It does not provide further consumer protections, it interferes with corporate governance matters and it is another example of well-intentioned ideas being hostile to Connecticut's business climate.

Thank you for the opportunity to provide comments. I would be happy to answer any questions any member might have.