



Senate

General Assembly

File No. 458

January Session, 2011

Substitute Senate Bill No. 1140

Senate, April 7, 2011

The Committee on Energy and Technology reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE DEPARTMENT OF PUBLIC UTILITY CONTROL'S JURISDICTION REGARDING HOLDING COMPANIES.

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

1 Section 1. Subsection (c) of section 16-47 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (c) No corporation, association, partnership, trust or similar
5 organization [,] or person shall, without first making written
6 application to and obtaining the approval of the department, (1) take
7 any action that causes it to become a holding company with control
8 over a gas, electric, electric distribution, water, telephone or
9 community antenna television company engaged in the business of
10 supplying service within this state, [or] (2) acquire, directly or
11 indirectly, control over such a holding company, [or] (3) take any
12 action that would cause its shareholders to own at least ten per cent of
13 the shares of such a holding company, (4) enter into a merger or

14 acquisition agreement that would result in more than twenty-five per
 15 cent of the members on the board of directors of such a holding
 16 company being replaced, (5) enter into a merger or acquisition
 17 agreement that would result in at least a twenty-five per cent increase
 18 in the number of positions on the board of directors of such a holding
 19 company, or (6) take any action that would if successful cause it to
 20 become or to acquire control over such a holding company. [, without
 21 first making written application to and obtaining the approval of the
 22 department.] Any such corporation, association, partnership, trust or
 23 similar organization, or person applying to the department for such
 24 approval shall pay the reasonable expenses incurred by the
 25 department in carrying out its duties under this subsection, and
 26 accordingly, shall deposit with the department a bond, executed by a
 27 surety company authorized to do business in this state, in the amount
 28 of fifty thousand dollars, conditioned to indemnify the department for
 29 such expenses.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-47(c)

ET *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill, which expands the Department of Public Utility Control's jurisdiction regarding mergers and acquisitions of holding companies of public utility companies, has no fiscal impact on the state or municipalities.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sSB 1140*****AN ACT CONCERNING THE DEPARTMENT OF PUBLIC UTILITY CONTROL'S JURISDICTION REGARDING HOLDING COMPANIES.*****SUMMARY:**

This bill expands the Department of Public Utility Control's (DPUC) jurisdiction regarding mergers and acquisition of holding companies of utility companies. By law, businesses must apply to DPUC and obtain its approval before (1) taking any action that causes it to become a holding company that controls a gas, electric, water, telephone, or cable TV company that serves the state or (2) acquiring control over such a holding company. The bill additionally requires application and DPUC approval before any business (1) takes any action that would result in its shareholders owning at least 10% of the shares of such a holding company, (2) enters into a merger or acquisition agreement that would result in replacing more than 25% of the members on a board of directors of such a holding company being replaced, or (3) enter into a merger or acquisition agreement that would result in at least a 25% increase in the number of positions on the board of directors of such a holding company.

By law, any company applying to DPUC for its approval must pay DPUC's reasonable expenses in carrying out its duties. The company must deposit with DPUC a \$50,000 bond, executed by a surety company authorized to do business in this state, to indemnify DPUC for its expenses

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 13 Nay 9 (03/22/2011)