



General Assembly

January Session, 2023

Committee Bill No. 20

LCO No. 5957



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:
(ET)

AN ACT CONCERNING ACQUISITIONS AND MERGERS OF CABLE AND TELECOMMUNICATIONS PROVIDERS.

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

1 Section 1. Section 16-47 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2023*):

3 (a) As used in this section and section 16-47a, (1) "holding company"
4 means any corporation, association, partnership, trust or similar
5 organization, or person which, either alone or in conjunction and
6 pursuant to an arrangement or understanding with one or more other
7 corporations, associations, partnerships, trusts or similar
8 organizations, or persons, directly or indirectly, controls a gas
9 company, electric distribution company, water company, telephone
10 [or] company, community antenna television company, holder of a
11 certificate of cable franchise authority pursuant to section 16-331p,
12 certified telecommunications provider, certified competitive video
13 service provider or broadband Internet access service provider, as
14 defined in section 16-330a, and (2) "control" means the possession of
15 the power to direct or cause the direction of the management and
16 policies of a gas company, electric distribution company, water

17 company, telephone [or] company, community antenna television
18 company, holder of a certificate of cable franchise authority pursuant
19 to section 16-331p, certified telecommunications provider, certified
20 competitive video service provider or broadband Internet access
21 service provider, as defined in section 16-330a, or a holding company,
22 whether through the ownership of its voting securities, the ability to
23 effect a change in the composition of its board of directors or
24 otherwise, provided, control shall not be deemed to arise solely from a
25 revocable proxy or consent given to a person in response to a public
26 proxy or consent solicitation made pursuant to and in accordance with
27 the applicable rules and regulations of the Securities Exchange Act of
28 1934 unless a participant in said solicitation has announced an
29 intention to effect a merger or consolidation with, reorganization, or
30 other business combination or extraordinary transaction involving the
31 gas company, electric distribution company, water company,
32 telephone [or] company, community antenna television company,
33 holder of a certificate of cable franchise authority pursuant to section
34 16-331p, certified telecommunications provider, certified competitive
35 video service provider or broadband Internet access service provider,
36 as defined in section 16-330a, or the holding company. Control shall be
37 presumed to exist if a person directly or indirectly owns ten per cent or
38 more of the voting securities of a gas company, electric distribution
39 company, water company, telephone [or] company, community
40 antenna television company, holder of a certificate of cable franchise
41 authority pursuant to section 16-331p, certified telecommunications
42 provider, certified competitive video service provider or broadband
43 Internet access service provider, as defined in section 16-330a, or a
44 holding company, provided the authority may determine, after
45 conducting a hearing, that said presumption of control has been
46 rebutted by a showing that such ownership does not in fact confer
47 control.

48 (b) No gas company, electric distribution company, water company,
49 telephone [or] company, community antenna television company,
50 holder of a certificate of cable franchise authority pursuant to section

51 16-331p, certified telecommunications provider, certified competitive
52 video service provider or broadband Internet access service provider,
53 as defined in section 16-330a, or holding company, or any official,
54 board or commission purporting to act under any governmental
55 authority other than that of this state or of its divisions, municipal
56 corporations or courts, shall interfere or attempt to interfere with or,
57 directly or indirectly, exercise or attempt to exercise authority or
58 control over any gas company, electric distribution company, water
59 company, telephone [or] company, community antenna television
60 company, holder of a certificate of cable franchise authority pursuant
61 to section 16-331p, certified telecommunications provider, certified
62 competitive video service provider or broadband Internet access
63 service provider, as defined in section 16-330a, engaged in the business
64 of supplying service within this state, or with or over any holding
65 company doing the principal part of its business within this state,
66 without first making written application to and obtaining the approval
67 of the Public Utilities Regulatory Authority, except as the United States
68 may properly regulate actual transactions in interstate commerce.

69 (c) No corporation, association, partnership, trust or similar
70 organization, or person shall take any action that causes it to become a
71 holding company with control over a gas company, electric
72 distribution company, water company, telephone [or] company,
73 community antenna television company, holder of a certificate of cable
74 franchise authority pursuant to section 16-331p, certified
75 telecommunications provider, certified competitive video service
76 provider or broadband Internet access service provider, as defined in
77 section 16-330a, engaged in the business of supplying service within
78 this state, or acquire, directly or indirectly, control over such a holding
79 company, or take any action that would if successful cause it to
80 become or to acquire control over such a holding company, without
81 first making written application to and obtaining the approval of the
82 authority. Any such corporation, association, partnership, trust or
83 similar organization, or person applying to the authority for such
84 approval shall pay the reasonable expenses incurred by the authority

85 in carrying out its duties under this subsection, and accordingly, shall
86 deposit with the authority a bond, executed by a surety company
87 authorized to do business in this state, in the amount of fifty thousand
88 dollars, conditioned to indemnify the authority for such expenses.

89 (d) The Public Utilities Regulatory Authority shall investigate and
90 hold a public hearing on the question of granting its approval with
91 respect to any application made under subsection (b) or (c) of this
92 section and thereafter may approve or disapprove any such
93 application in whole or in part and upon such terms and conditions as
94 it deems necessary or appropriate. In connection with its investigation,
95 the authority may request the views of the gas company, electric
96 distribution company, water company, telephone [or] company,
97 community antenna television company, holder of a certificate of cable
98 franchise authority pursuant to section 16-331p, certified
99 telecommunications provider, certified competitive video service
100 provider or broadband Internet access service provider, as defined in
101 section 16-330a, or holding company which is the subject of the
102 application with respect to the proposed acquisition. After the filing of
103 an application satisfying the requirements of such regulations as the
104 authority may adopt in accordance with the provisions of chapter 54,
105 but not later than thirty business days after the filing of such
106 application, the authority shall give prompt notice of the public
107 hearing to the person required to file the application and to the subject
108 company, certificate holder, provider, or holding company. Such
109 hearing shall be commenced as promptly as practicable after the filing
110 of the application, but not later than sixty business days after the filing.
111 [, and the] The authority shall make its determination as soon as
112 practicable, but not later than two hundred days after the filing of the
113 application, [provided it may] unless the person required to file the
114 application agrees to an extension of time or the authority extends the
115 time as provided in this subsection. The authority may extend the time
116 period for making its determination by not more than thirty days if,
117 before the end of such time period, [and upon notifying] the authority
118 notifies all parties and intervenors to the proceedings [, extend the

119 period by thirty days, or unless the person required to file the
120 application agrees to an extension of time] of such extension. The
121 authority may, in its discretion, grant the subject company, certificate
122 holder, provider or holding company the opportunity to participate in
123 the hearing by presenting evidence and oral and written argument. If
124 the authority fails to give notice of its determination to hold a hearing,
125 commence the hearing, or render its determination after the hearing
126 within the time limits specified in this subdivision, the proposed
127 acquisition shall be deemed approved. In each proceeding on a written
128 application submitted under said subsection (b) or (c), the authority
129 shall, in a manner which treats all parties to the proceeding on an
130 equal basis, take into consideration (1) the financial, technological and
131 managerial suitability and responsibility of the applicant, (2) the ability
132 of the gas company, electric distribution company, water company,
133 telephone [or] company, community antenna television company,
134 holder of a certificate of cable franchise authority pursuant to section
135 16-331p, certified telecommunications provider, certified competitive
136 video service provider or broadband Internet access service provider,
137 as defined in section 16-330a, or holding company which is the subject
138 of the application to provide safe, adequate and reliable service to the
139 public through the company's, certificate holder's or provider's plant,
140 equipment and manner of operation if the application were to be
141 approved, and (3) for an application concerning a telephone company,
142 the effect of approval on the location and accessibility of management
143 and operations and on the proportion and number of state resident
144 employees. The authority shall only grant its approval of an
145 application filed on or after January 1, 2021, made under subsection (c)
146 of this section, if the holding company effects a change in the
147 composition of the board of directors to include a proportional
148 percentage of Connecticut-based directors equivalent to the percentage
149 that Connecticut service areas represent of the total service areas
150 covered by the holding company.

151 (e) During any proceeding under subsection (b) or (c) of this section,
152 the authority may order any party to such proceeding and the officers,

153 directors, employees and agents of such party to refrain for a specific
154 time period from communicating, directly or indirectly, with the
155 record and beneficial owners of securities of the gas company, electric
156 distribution company, water company, telephone [or] company,
157 community antenna television company, holder of a certificate of cable
158 franchise authority pursuant to section 16-331p, certified
159 telecommunications provider, certified competitive video service
160 provider or broadband Internet access service provider, as defined in
161 section 16-330a, or holding company which is the subject of such
162 proceedings, in regard to the matters submitted to the authority for its
163 approval under said subsection (b) or (c). If the authority issues such
164 an order, it shall also order all other parties to the proceeding and the
165 officers, directors, employees and agents of such parties to refrain for
166 the same time period from communicating, directly or indirectly, with
167 such record and beneficial owners of such securities, in regard to such
168 matters. No order issued pursuant to this subsection shall prohibit any
169 party from complying with disclosure and reporting obligations under
170 any other provision of the general statutes or under federal law.

171 (f) Each holding company shall, not later than three months after the
172 close of its fiscal year, annually, file with the authority a copy of its
173 annual report to stockholders for such fiscal year. If the holding
174 company does not print such an annual report, it shall file instead, not
175 later than the same date, a comprehensive audit and report of its
176 accounts and operations prepared by an independent public
177 accounting firm approved by the authority. The provisions of this
178 subsection shall not apply to any holding company in the form of a
179 person.

180 (g) Any action contrary to the provisions of [subsections] subsection
181 (b) or (c) of this section shall be voidable on order of the authority.

182 (h) Whenever any corporation, association, partnership, trust or
183 similar organization, or person takes or engages in any action which
184 may or would violate subsection (b) or (c) of this section or any order
185 adopted pursuant to said subsection (b) or (c), the Superior Court,

186 upon application of the authority or any holding company or gas
 187 company, electric distribution company, water company, telephone
 188 [or] company, community antenna television company, holder of a
 189 certificate of cable franchise authority pursuant to section 16-331p,
 190 certified telecommunications provider, certified competitive video
 191 service provider or broadband Internet access service provider, as
 192 defined in section 16-330a, affected by such action, may enjoin any
 193 such corporation, association, partnership, trust or similar
 194 organization, or person from continuing or doing any act in violation
 195 of said subsection (b) or (c) or may otherwise enforce compliance with
 196 said subsection (b) or (c), including, but not limited to, the
 197 reinstatement of authority or control over the [holding company or]
 198 gas company, electric distribution company, water company,
 199 telephone [or] company, community antenna television company,
 200 holder of a certificate of cable franchise authority pursuant to section
 201 16-331p, certified telecommunications provider, certified competitive
 202 video service provider or broadband Internet access service provider,
 203 as defined in section 16-330a, or holding company to those persons
 204 who exercised authority or control over such company, certificate
 205 holder or provider before such action.

206 (i) The provisions of this section shall not be construed to require
 207 any person to make written application to or obtain the approval of the
 208 authority with respect to any telephone company or holding company
 209 of a telephone company over which such person exercises authority or
 210 control or operates as a holding company on June 30, 1987.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2023</i>	16-47

ET *Joint Favorable*