



# Senate

General Assembly

**File No. 662**

January Session, 2025

Substitute Senate Bill No. 1531

*Senate, April 14, 2025*

The Committee on Government Administration and Elections reported through SEN. FLEXER of the 29th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING PUBLIC UTILITY TRANSPARENCY AND ACCOUNTABILITY AND PROCEEDINGS OF THE PUBLIC UTILITIES REGULATORY AUTHORITY.***

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

1 Section 1. Subdivision (1) of section 1-200 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective October*  
3 *1, 2025*):

4 (1) "Public agency" or "agency" means:

5 (A) Any executive, administrative or legislative office of the state or  
6 any political subdivision of the state and any state or town agency, any  
7 department, institution, bureau, board, commission, authority or official  
8 of the state or of any city, town, borough, municipal corporation, school  
9 district, regional district or other district or other political subdivision of  
10 the state, including any committee of, or created by, any such office,  
11 subdivision, agency, department, institution, bureau, board,  
12 commission, authority or official, and also includes any judicial office,

13 official, or body or committee thereof but only with respect to its or their  
14 administrative functions, and for purposes of this subparagraph,  
15 "judicial office" includes, but is not limited to, the Division of Public  
16 Defender Services;

17 (B) Any person to the extent such person is deemed to be the  
18 functional equivalent of a public agency pursuant to law; [or]

19 (C) Any "implementing agency", as defined in section 32-222; or

20 (D) Any electric distribution company, gas company, pipeline  
21 company or water company, as such terms are defined in section 16-1,  
22 with more than two hundred thousand customers in the state, with  
23 respect to any portions of its business under the regulation of the Public  
24 Utilities Regulatory Authority.

25 Sec. 2. Section 16-243gg of the general statutes is repealed and the  
26 following is substituted in lieu thereof (*Effective October 1, 2025*):

27 (a) No electric distribution company, gas company, pipeline  
28 company or water company, as such terms are defined in section 16-1,  
29 shall recover through rates any direct or indirect cost associated with  
30 membership, dues, sponsorships or contributions to a business or  
31 industry trade association, group or related entity incorporated under  
32 Section 501 of the Internal Revenue Code of 1986, or any subsequent  
33 corresponding internal revenue code of the United States, as amended  
34 from time to time.

35 (b) No electric distribution company, gas company, pipeline  
36 company or water company, as such terms are defined in section 16-1,  
37 shall recover through rates any direct or indirect cost associated with  
38 lobbying or legislative action, as such terms are defined in section 1-91.

39 (c) No electric distribution company, gas company, pipeline  
40 company or water company, as such terms are defined in section 16-1,  
41 shall recover through rates any direct or indirect cost associated with  
42 advertising, marketing, communications that seek to influence public  
43 opinion or any other related costs identified by the authority, unless

44 such marketing, advertising, communications or related costs are  
45 specifically approved or ordered by the authority or the Department of  
46 Energy and Environmental Protection.

47 (d) No electric distribution company, gas company, pipeline  
48 company or water company, as such terms are defined in section 16-1,  
49 shall recover through rates any direct or indirect cost associated with (1)  
50 travel, lodging or food and beverage expenses for such company's board  
51 of directors and officers or the board of directors and officers of such  
52 company's parent company; (2) entertainment or gifts; (3) any owned,  
53 leased or chartered aircraft for such company's board of directors and  
54 officers or the board of directors and officers of such company's parent  
55 company; or (4) investor relations.

56 (e) No electric distribution company, gas company, pipeline  
57 company or water company that is a public agency, as defined in section  
58 1-200, as amended by this act, shall recover through rates any direct or  
59 indirect costs associated with complying with the provisions of the  
60 Freedom of Information Act, as defined in section 1-200, as amended by  
61 this act, unless such expenses are recognized by the authority as proper  
62 business expenses for rate-making purposes that achieve the objectives  
63 set forth in subsection (a) of section 16-19 and in section 16-19e.

64 [(e)] (f) On or before January 15, 2024, and annually thereafter, each  
65 electric distribution company, gas company, pipeline company or water  
66 company, as such terms are defined in section 16-1, with more than  
67 seventy-five thousand customers shall report to the authority an  
68 itemized list of costs associated with the activities described in this  
69 section and subsection (b) of section 16-243p in a form prescribed by the  
70 authority. Such report shall include, but need not be limited to: (1) Any  
71 costs spent by the parent company or affiliates of the public service  
72 company directly billed or allocated to the public service company; (2)  
73 a list of the title, job description and salary of any employees of the  
74 public service company who performed work associated with the  
75 activities described in this section or in subsection (b) of section 16-243p  
76 and the hours attributed to such work; (3) a list of the title, job

77 description and salary of any employees of the parent company or  
78 affiliate who performed work associated with the activities described in  
79 this section or in subsection (b) of section 16-243p and the hours  
80 attributed to such work that were directly billed or allocated to the  
81 public service company; (4) an itemized list of costs that the public  
82 service company made to all third-party vendors for any expenses  
83 associated with the activities described in this section or in subsection  
84 (b) of section 16-243p including unredacted billing amounts, billing  
85 dates, payees and explanation of the expenditure in detail sufficient to  
86 describe the purpose of the cost; and (5) any other itemized information  
87 deemed relevant by the authority. No electric distribution company, gas  
88 company, pipeline company or water company, as such terms are  
89 defined in section 16-1, shall recover through rates any costs associated  
90 with the preparation of such report.

91 Sec. 3. Subdivision (3) of subsection (d) of section 16-245m of the  
92 general statutes is repealed and the following is substituted in lieu  
93 thereof (*Effective July 1, 2026*):

94 (3) Programs included in the plan developed under subdivision (1) of  
95 this subsection shall be screened through cost-effectiveness testing that  
96 compares the value and payback period of program benefits for all  
97 energy savings to program costs to ensure that programs are designed  
98 to obtain energy savings and system benefits, including mitigation of  
99 federally mandated congestion charges, whose value is greater than the  
100 costs of the programs. Program cost-effectiveness shall be reviewed by  
101 the Commissioner of Energy and Environmental Protection annually, or  
102 otherwise as is practicable, and shall incorporate the results of the  
103 evaluation process set forth in subdivision (4) of this subsection, except  
104 the Home Energy Solutions Audit program, which shall be subject to a  
105 financial and performance audit by the Auditors of Public Accounts not  
106 less than biennially, in lieu of review by the commissioner. If a program  
107 is determined to fail the cost-effectiveness test as part of the review  
108 process, it shall either be modified to meet the test or shall be terminated,  
109 unless it is integral to other programs that in combination are cost-  
110 effective. On or before March 1, 2005, and on or before March first

111 annually thereafter, the board shall provide a report, in accordance with  
112 the provisions of section 11-4a, to the joint standing committees of the  
113 General Assembly having cognizance of matters relating to energy and  
114 the environment that documents (A) expenditures and fund balances  
115 and evaluates the cost-effectiveness of such programs conducted in the  
116 preceding year, and (B) the extent to and manner in which the programs  
117 of such board collaborated and cooperated with programs, established  
118 under section 7-233y, of municipal electric energy cooperatives. To  
119 maximize the reduction of federally mandated congestion charges,  
120 programs in the plan may allow for disproportionate allocations  
121 between the amount of contributions pursuant to this section by a  
122 certain rate class and the programs that benefit such a rate class. Before  
123 conducting such evaluation, the board shall consult with the board of  
124 directors of the Connecticut Green Bank. The report shall include a  
125 description of the activities undertaken during the reporting period.

126       Sec. 4. (*Effective July 1, 2025*) The Auditors of Public Accounts shall  
127 hire an additional auditor to conduct performance audits not later than  
128 July 1, 2026.

129       Sec. 5. Section 16-9 of the general statutes is repealed and the  
130 following is substituted in lieu thereof (*Effective October 1, 2025*):

131       All decisions, orders and authorizations of the Public Utilities  
132 Regulatory Authority shall be in writing and shall specify the reasons  
133 therefor, shall be filed and kept in the office of the authority and  
134 recorded in a book kept by it for that purpose and shall be public  
135 records. Said authority may, at any time, for cause shown, upon hearing  
136 had after notice to all parties in interest not less than two weeks prior to  
137 such hearing, rescind, reverse or alter any decision, order or  
138 authorization by it made. Written notice of all orders, decisions or  
139 authorizations issued by the authority shall be given to the company or  
140 person affected thereby, by personal service upon such company or  
141 person or by registered or certified mail, as the authority determines.  
142 Any final decision, order or authorization of the Public Utilities  
143 Regulatory Authority in a contested case shall constitute a final decision

144 for the purposes of chapter 54.

145 Sec. 6. Section 16-25 of the general statutes is repealed and the  
146 following is substituted in lieu thereof (*Effective October 1, 2025*):

147 The Public Utilities Regulatory Authority shall fix a time and place  
148 for all hearings and shall mail notice thereof to such parties in interest  
149 as the authority deems necessary and give public notice thereof at least  
150 [one week] two weeks prior to any such hearing.

151 Sec. 7. Subsection (n) of section 16-2 of the general statutes is repealed  
152 and the following is substituted in lieu thereof (*Effective October 1, 2025*):

153 (n) Two or more utility commissioners serving on a panel established  
154 pursuant to subsection (c) of this section may confer or communicate  
155 regarding the matter before such panel. [Any such conference or  
156 communication that does not occur before the public at a hearing or  
157 proceeding shall not constitute a meeting as defined in section 1-200.]

158 Sec. 8. Subsection (a) of section 16-19 of the general statutes is  
159 repealed and the following is substituted in lieu thereof (*Effective October*  
160 *1, 2025*):

161 (a) No public service company may charge rates in excess of those  
162 previously approved by the Public Utilities Control Authority or the  
163 Public Utilities Regulatory Authority, except that any rate approved by  
164 the Public Utilities Commission, the Public Utilities Control Authority  
165 or the Public Utilities Regulatory Authority shall be permitted until  
166 amended by the Public Utilities Regulatory Authority, that rates not  
167 approved by the Public Utilities Regulatory Authority may be charged  
168 pursuant to subsection (b) of this section, and that the hearing  
169 requirements with respect to adjustment clauses are as set forth in  
170 section 16-19b. For water companies, existing rates shall include the  
171 amount of any adjustments approved pursuant to section 16-262w since  
172 the company's most recent general rate case, provided any adjustment  
173 amount shall be separately identified in any customer bill. Each public  
174 service company shall file any proposed amendment of its existing rates

175 with the authority in such form and in accordance with such reasonable  
176 regulations as the authority may prescribe. Each electric distribution,  
177 gas or telephone company filing a proposed amendment shall also file  
178 with the authority an estimate of the effects of the amendment, for  
179 various levels of consumption, on the household budgets of high and  
180 moderate income customers and customers having household incomes  
181 not more than one hundred fifty per cent of the federal poverty level.  
182 Each electric distribution company shall also file such an estimate for  
183 space heating customers. Each water company, except a water company  
184 that provides water to its customers less than six consecutive months in  
185 a calendar year, filing a proposed amendment, shall also file with the  
186 authority a plan for promoting water conservation by customers in such  
187 form and in accordance with a memorandum of understanding entered  
188 into by the authority pursuant to section 4-67e. Each public service  
189 company shall notify each customer who would be affected by the  
190 proposed amendment, by mail, at least one week prior to the first public  
191 hearing thereon, but not earlier than six weeks prior to such first public  
192 hearing, that an amendment has been or will be requested. Such notice  
193 shall also indicate (1) the date, time and location of any scheduled public  
194 hearing, (2) a statement that customers may provide written comments  
195 regarding the proposed amendment to the Public Utilities Regulatory  
196 Authority or appear in person at any scheduled public hearing, (3) the  
197 Public Utilities Regulatory Authority telephone number for obtaining  
198 information concerning the schedule for public hearings on the  
199 proposed amendment, and (4) whether the proposed amendment  
200 would, in the company's best estimate, increase any rate or charge by  
201 five per cent or more, and, if so, describe in general terms any such rate  
202 or charge and the amount of the proposed increase. If a company fails  
203 to provide adequate notice, the authority shall consider the effective  
204 filing date of such company's proposed amendment to be the date that  
205 the company provides adequate notice to customers, as determined by  
206 the authority. Until the effective filing date, no days shall count toward  
207 the time limit for a final decision in this subsection. In the case of a  
208 proposed amendment to the rates of any public service company, the  
209 authority shall hold one or more public hearings thereon, except as

210 permitted with respect to interim rate amendments by subsections (d)  
211 and (g) of this section, and shall make such investigation of such  
212 proposed amendment of rates as is necessary to determine whether such  
213 rates conform to the principles and guidelines set forth in section 16-19e,  
214 or are unreasonably discriminatory or more or less than just, reasonable  
215 and adequate, or that the service furnished by such company is  
216 inadequate to or in excess of public necessity and convenience, provided  
217 the authority may (A) evaluate the reasonableness and adequacy of the  
218 performance or service of the public service company using any  
219 applicable metrics or standards adopted by the authority pursuant to  
220 section 16-244aa, and (B) determine the reasonableness of the allowed  
221 rate of return of the public service company based on such performance  
222 evaluation, except that no public service company that is an electric  
223 distribution company may be allowed a rate of return that exceeds the  
224 weighted average cost of capital for such company, as determined by  
225 the authority. The authority, if in its opinion such action appears  
226 necessary or suitable in the public interest may, and, upon written  
227 petition or complaint of the state, under direction of the Governor, shall,  
228 make the aforesaid investigation of any such proposed amendment  
229 which does not involve an alteration in rates. If the authority finds any  
230 proposed amendment of rates to not conform to the principles and  
231 guidelines set forth in section 16-19e, or to be unreasonably  
232 discriminatory or more or less than just, reasonable and adequate to  
233 enable such company to provide properly for the public convenience,  
234 necessity and welfare, or the service to be inadequate or excessive, it  
235 shall determine and prescribe, as appropriate, an adequate service to be  
236 furnished or just and reasonable maximum rates and charges to be made  
237 by such company. In the case of a proposed amendment filed by an  
238 electric distribution, gas or telephone company, the authority shall also  
239 adjust the estimate filed under this subsection of the effects of the  
240 amendment on the household budgets of the company's customers, in  
241 accordance with the rates and charges approved by the authority. The  
242 authority shall issue a final decision on each electric distribution or gas  
243 company rate filing not later than three hundred fifty days after the  
244 effective filing date of the proposed amendment. The authority shall

245 issue a final decision on all public service company rate filings, except  
246 electric distribution or gas company rate filings, not later than two  
247 hundred seventy days after the effective filing date of the proposed  
248 amendment.

249 Sec. 9. Subsection (g) of section 16-19 of the general statutes is  
250 repealed and the following is substituted in lieu thereof (*Effective October*  
251 *1, 2025*)

252 (g) The authority shall hold either a special public hearing or combine  
253 an investigation with an ongoing four-year review conducted in  
254 accordance with section 16-19a or with a general rate hearing conducted  
255 in accordance with subsection (a) of this section on the need for an  
256 interim rate decrease (1) when a public service company has, for the  
257 rolling twelve-month period ending with the two most recent  
258 consecutive financial quarters, earned a return on equity which exceeds  
259 the return authorized by the authority by at least one-half of one  
260 percentage point, (2) if it finds, in the case of an electric distribution  
261 company, a rate of return that exceeds the weighted average cost of  
262 capital for such company, as determined by the authority, (3) if it finds  
263 that any change in municipal, state or federal tax law creates a  
264 significant increase in a company's rate of return, or [(3)] (4) if it provides  
265 appropriate notice that a public service company may be collecting rates  
266 or may have an authorized rate of return which is or are more than just,  
267 reasonable and adequate, as determined by the authority, provided the  
268 authority shall require appropriate notice of hearing to the company  
269 and its customers who would be affected by an interim rate decrease in  
270 such form as the authority deems reasonable. The company shall be  
271 required to demonstrate to the satisfaction of the authority that earning  
272 such a return on equity, having an authorized rate of return or collecting  
273 rates which are more than just, reasonable and adequate is directly  
274 beneficial to its customers. At the completion of the proceeding, the  
275 authority may order an interim rate decrease if it finds that such return  
276 on equity or rates exceeds a reasonable rate of return or is more than  
277 just, reasonable and adequate as determined by the authority. Any such  
278 interim rate decrease shall be subject to a customer surcharge if the

279 interim rates collected by the company are less than the rates finally  
280 approved by the authority or fixed at the conclusion of any appeal taken  
281 as a result of any finding by the authority. Such surcharge shall be  
282 assessed against customers in such amounts and by such procedure as  
283 ordered by the authority.

284 Sec. 10. Subsection (d) of section 16-47 of the general statutes is  
285 repealed and the following is substituted in lieu thereof (*Effective October*  
286 *1, 2025*):

287 (d) (1) (A) The Public Utilities Regulatory Authority shall investigate  
288 and hold a public hearing on the question of granting its approval with  
289 respect to any application made under subdivision (1) of subsection (b)  
290 of this section or subdivision (1) of subsection (c) of this section and  
291 thereafter may approve or disapprove any such application in whole or  
292 in part and upon such terms and conditions as it deems necessary or  
293 appropriate. In connection with its investigation, the authority may  
294 request the views of the gas company, electric distribution company,  
295 water company, telephone company, community antenna television  
296 company or holding company which is the subject of the application  
297 with respect to the proposed acquisition.

298 (B) After the filing of an application satisfying the requirements of  
299 such regulations as the authority may adopt in accordance with the  
300 provisions of chapter 54, but not later than thirty business days after the  
301 filing of such application, the authority shall give prompt notice of the  
302 public hearing to the [person required to file the application] applicant  
303 and to the subject company or holding company. Such hearing shall be  
304 commenced as promptly as practicable after the filing of the application,  
305 but not later than sixty business days after [the] such filing.

306 (C) The authority shall make its determination as soon as practicable,  
307 but not later than two hundred days after the filing of the application,  
308 unless the [person required to file the application] applicant agrees to  
309 an extension of time or the authority extends the time as provided in  
310 this subsection. The authority may extend the time period for making  
311 its determination by not more than thirty days if, before the end of such

312 time period, the authority notifies all parties and intervenors to the  
313 proceedings of such extension.

314 (D) The authority may, in its discretion, grant the subject company,  
315 certificate holder, provider or holding company the opportunity to  
316 participate in the hearing by presenting evidence and oral and written  
317 argument. [If the authority fails to give notice of its determination to  
318 hold a hearing, commence the hearing, or render its determination after  
319 the hearing within the time limits specified in this subdivision, the  
320 proposed acquisition shall be deemed approved.]

321 (E) In each proceeding on a written application submitted under said  
322 subdivision (1) of subsection (b) of this section or subdivision (1) of  
323 subsection (c) of this section, the authority shall, in a manner [which]  
324 that treats all parties to the proceeding on an equal basis, take into  
325 consideration [(1)] (i) the financial, technological and managerial  
326 suitability and responsibility of the applicant, [(2)] (ii) the ability of the  
327 gas company, electric distribution company, water company, telephone  
328 company, community antenna television company or holding company  
329 which is the subject of the application to provide safe, adequate and  
330 reliable service to the public through the company's plant, equipment  
331 and manner of operation if the application were to be approved, and  
332 [(3)] (iii) for an application concerning a telephone company, the effect  
333 of approval on the location and accessibility of management and  
334 operations and on the proportion and number of state resident  
335 employees.

336 (F) The authority shall only grant its approval of an application filed  
337 on or after January 1, 2021, made under subdivision (1) of subsection (c)  
338 of this section, if the holding company [effects] implements a change in  
339 the composition of the board of directors to include a proportional  
340 percentage of Connecticut-based directors equivalent to the percentage  
341 that Connecticut service areas represent of the total service areas  
342 covered by the holding company.

343 (G) On and after October 1, 2025, the authority shall not approve any  
344 application made pursuant to subdivision (1) of subsection (c) of this

345 section if the applicant seeking approval to control a gas company or  
346 electric distribution company, or a holding company thereof, already  
347 controls a gas company or electric distribution company, or a holding  
348 company thereof, in the state.

349 (2) (A) The Public Utilities Regulatory Authority shall investigate and  
350 hold a public hearing on the question of granting its approval with  
351 respect to any application made under subdivision (2) of subsection (b)  
352 of this section or subdivision (2) of subsection (c) of this section and  
353 thereafter may approve or disapprove any such application in whole or  
354 in part and upon such terms and conditions as it deems necessary or  
355 appropriate. In connection with its investigation, the authority may  
356 request the views of the subject certificate holder, provider or holding  
357 company which is the subject of the application with respect to the  
358 proposed acquisition.

359 (B) After the filing of an application satisfying the requirements of  
360 such regulations as the authority may adopt in accordance with the  
361 provisions of chapter 54, but not later than thirty business days after the  
362 filing of such application, the authority shall give prompt notice of the  
363 public hearing to the [person required to file the application] applicant  
364 and to the subject certificate holder, provider or holding company. Such  
365 hearing shall be commenced as promptly as practicable after the filing  
366 of the application, but not later than sixty business days after [the] such  
367 filing. [, and the]

368 (C) The authority shall make its determination as soon as practicable,  
369 but not later than one hundred eighty days after the filing of the  
370 application [,] unless the [person required to file the application]  
371 applicant agrees to an extension of time or the authority extends the time  
372 as provided in this subsection. The authority may extend the time  
373 period for making its determination by not more than thirty days if,  
374 before the end of such period, the authority notifies all parties and  
375 intervenors to the proceedings of such extension, [. Such authority-  
376 noticed extension may only occur once] provided only one such  
377 extension may be noticed by the authority.

378       (D) The authority shall, upon request of the certificate holder,  
379 provider or holding company, grant the subject company or holding  
380 company the opportunity to participate in the hearing by presenting  
381 evidence and oral and written argument.

382       (E) If the authority fails to give notice of its determination to hold a  
383 hearing, commence the hearing or render its determination after the  
384 hearing within the time limits specified in this subdivision, the  
385 proposed acquisition shall be deemed approved.

386       (F) In each proceeding on a written application submitted under  
387 [said] subdivision (2) of subsection (b) of this section or subdivision (2)  
388 of subsection (c) of this section, the scope of review for the authority  
389 shall be limited to [(A)] (i) the financial, technological and managerial  
390 suitability and responsibility of the applicant, and [(B)] (ii) the legal,  
391 financial and technical ability of the holder of a certificate of cable  
392 franchise authority pursuant to section 16-331p, certified  
393 telecommunications provider, certified competitive video service  
394 provider or holding company which is the subject of the application to  
395 provide safe, adequate and reliable service subject to the authority's  
396 regulation.

397       Sec. 11. (NEW) (*Effective October 1, 2025*) On and after January 1, 2026,  
398 no person, firm or corporation shall control both an electric distribution  
399 company and a gas company, as defined in section 16-1 of the general  
400 statutes. Any such person, firm or corporation that has control of more  
401 than one such company in violation of this section shall divest itself of  
402 the additional company and retain not more than one such company by  
403 January 1, 2026. The Public Utilities Regulatory Authority shall, after  
404 notice and hearing in accordance with section 16-10a of the general  
405 statutes, as amended by this act, revoke the franchise to operate as a  
406 public service company, as defined in section 16-1 of the general  
407 statutes, of any person, firm or corporation that is not in compliance  
408 with the provisions of this section.

409       Sec. 12. Subsection (a) of section 16-10a of the general statutes is  
410 repealed and the following is substituted in lieu thereof (*Effective October*

411 1, 2025):

412 (a) Whenever any person, firm or corporation, incorporated under  
413 the general statutes or any special act, is granted a franchise to operate  
414 as a public service company, as defined in section 16-1, and fails to  
415 provide service which is adequate to serve the public convenience and  
416 necessity of any town, city, borough, district or other political  
417 subdivision of the state, or any portion thereof, for a period of five years  
418 from the date of such franchise or from January 1, 1961, whichever is  
419 later, the Public Utilities Regulatory Authority, on its own initiative, or  
420 upon complaint of any such town, city, borough, district or other  
421 political subdivision, or on petition of not less than five per cent of the  
422 affected persons, but in no event more than one thousand persons, in  
423 any such town, city, borough, district or other political subdivision, shall  
424 fix a time and place for a hearing to be held thereon. Whenever any such  
425 person, firm or corporation fails to comply with the merger prohibition  
426 set forth in section 11 of this act, the authority shall fix a time and place  
427 for a hearing to be held thereon. The authority shall give notice thereof  
428 to all parties in interest and shall make such further investigation into  
429 the alleged failure to provide such service or comply with the merger  
430 prohibition as it deems necessary. If upon such hearing, said authority  
431 finds that the holder of such franchise has failed to provide such service  
432 or comply with such prohibition and that there is an immediate need for  
433 such service, it may revoke such franchise as to any such town, city,  
434 borough, district or political subdivision, or any portion thereof, or  
435 make such other order as may be necessary to provide such service.  
436 Whenever any person, firm or corporation, incorporated under the  
437 general statutes or any special act, is granted a franchise to operate as a  
438 railroad company, as defined in section 13b-199, and fails to provide  
439 adequate service, or has discontinued the service, on any segment of its  
440 lines for which such franchise is granted for a period of five years or  
441 more, the franchise for such segment of line shall cease to exist and shall  
442 be revoked by the authority for such failure to operate such service or  
443 discontinuance of service for a period of five years or more.

444 Sec. 13. (NEW) (*Effective October 1, 2025*) Notwithstanding any

445 provision of the general statutes, no state agency, as defined in section  
446 4b-13 of the general statutes, quasi-public agency, as defined in section  
447 1-120 of the general statutes, or municipality, as defined in section 7-  
448 131q of the general statutes, shall offer a right of first refusal for the  
449 conveyance of any real property to a public service company, as defined  
450 in section 16-1 of the general statutes, prior to offering such property for  
451 general sale.

452 Sec. 14. Section 16-19 of the general statutes is amended by adding  
453 subsection (i) as follows (*Effective October 1, 2025*):

454 (NEW) (i) The authority shall not approve the imposition of any fee  
455 by a public service company under this section that would discourage  
456 the adoption of grid-enhancing or energy-efficient technologies,  
457 provided the provisions of this subsection shall not be construed to  
458 apply to an order by the authority under this section concerning rates  
459 that is perceived by a public service company to discourage such  
460 company from making capital investments in the grid.

461 Sec. 15. Subdivision (5) of subsection (a) of section 16-245d of the  
462 general statutes is repealed and the following is substituted in lieu  
463 thereof (*Effective October 1, 2025*):

464 (5) An electric distribution company shall, in accordance with the  
465 billing format developed by the authority, include the following  
466 information in each customer's bill: (A) The total amount owed by the  
467 customer, which shall be itemized using the categories described in  
468 subdivision (3) of this subsection; (B) any unpaid amounts from  
469 previous bills which shall be listed separately from current charges; (C)  
470 except for customers subject to a demand charge, the rate and usage for  
471 the current month and each of the previous twelve months in the form  
472 of a bar graph or other visual form; (D) the payment due date; (E) the  
473 interest rate applicable to any unpaid amount; (F) the toll-free telephone  
474 number of the electric distribution company to report power losses; (G)  
475 the toll-free telephone number of the Public Utilities Regulatory  
476 Authority for questions or complaints; and (H) if a customer has a  
477 demand of five hundred kilowatts or less during the preceding twelve

478 months, a statement about the availability of information concerning  
 479 electric suppliers pursuant to section 16-245p. An electric distribution  
 480 company shall not impose any fee that has not been authorized by the  
 481 authority pursuant to any provision of this title.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2025	1-200(1)
Sec. 2	October 1, 2025	16-243gg
Sec. 3	July 1, 2026	16-245m(d)(3)
Sec. 4	July 1, 2025	New section
Sec. 5	October 1, 2025	16-9
Sec. 6	October 1, 2025	16-25
Sec. 7	October 1, 2025	16-2(n)
Sec. 8	October 1, 2025	16-19(a)
Sec. 9	October 1, 2025	16-19(g)
Sec. 10	October 1, 2025	16-47(d)
Sec. 11	October 1, 2025	New section
Sec. 12	October 1, 2025	16-10a(a)
Sec. 13	October 1, 2025	New section
Sec. 14	October 1, 2025	16-19(i)
Sec. 15	October 1, 2025	16-245d(a)(5)

**GAE** 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:**

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Auditors	GF - Cost	None	82,187
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	None	32,115
Consumer Counsel <sup>2</sup>	CC&PUCF - Cost	356,022	356,022

Note: GF=General Fund; CC&PUCF=Consumer Counsel and Public Utility Control Fund

**Municipal Impact:** None

**Explanation**

The bill makes various changes impacting how electric distribution companies (EDCs, i.e. Eversource and United Illuminating) and other utilities are regulated. The bill results in annual costs to the Auditors of Public Accounts (APA) of \$114,302 beginning in FY 27 and annual costs to the Office of Consumer Counsel of \$356,022 beginning in FY 26.

The bill requires the APA to biennially perform a financial and performance audit of the Home Energy Solutions Audit program resulting in a cost to the state. Additionally, the bill requires the APA to hire one additional auditor to help conduct performance audits resulting in a cost of \$82,187 in FY 27 and an associated fringe benefit

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.71% of payroll in FY 26.

<sup>2</sup>The fringe benefit costs for employees funded out of other appropriated funds are budgeted within the fringe benefit account of those funds, as opposed to the fringe benefit accounts within the Office of the State Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes for other appropriated fund employees is 83.26% of payroll in FY 26.

cost of \$32,115 in FY 27.

The bill triggers additional interim rate decrease proceedings, which results in an additional cost to the OCC associated with two new full-time positions. OCC would require one full-time Utilities Examiner 2 with an annual salary of \$97,141 and corresponding fringe benefits of \$80,870 and one full-time Staff Attorney with an annual salary of \$97,141 and corresponding fringe benefits of \$80,870.

The bill makes various other changes including how the Public Utility Regulatory Authority (PURA) regulates EDCs, and Freedom of Information Act (FOIA) laws. These changes do not result in a fiscal impact to the state, as PURA has the staff and expertise necessary to implement the changes.

### ***Rate Payer Impact***

The rate payer impact of the bill results in a potential savings to various rate payers. However, the overall savings is indeterminate and would be dependent upon policy decisions made by individual gas or electric utility companies.

The bill results in a potential savings to rate payers through various mechanisms contained within the bill, including: 1) conducting a biennial financial and performance audit by the APA, 2) capping the EDC's allowed rate of return at its weighted average cost of capital, 3) prohibiting PURA from approving a public service company fee that would discourage the adoption of grid-enhancing or energy efficient technologies, and 4) prohibiting various mergers.

Currently, when utility companies transfer ownership the cost of the transaction can be passed onto rate payers through increased rates. However, increasing the number of customers within a service territory allows the cost of any large infrastructure project to be spread across the additional customers, lowering the overall impact to rate payers. The net impact, which is anticipated to result in a savings, would be dependent on decisions made by utility companies that are outside the

immediate scope of the bill.

Generally, grid enhancing technologies reduce costs to rate payers. Grid enhancing technologies can reduce utility capital investment and reduce distribution system costs, which can be reflected as savings to rate payers. Additionally, grid enhancing technologies lower energy costs and improve the benefits of updating and investing in various capital projects by EDCs.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

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**OLR Bill Analysis****sSB 1531****AN ACT CONCERNING PUBLIC UTILITY TRANSPARENCY AND ACCOUNTABILITY AND PROCEEDINGS OF THE PUBLIC UTILITIES REGULATORY AUTHORITY.**

## TABLE OF CONTENTS:

SUMMARY§§ 1, 2 & 7 — FOIA AND UTILITIES AS PUBLIC AGENCIES

Subjects certain utility companies to FOIA and other laws by designating them as public agencies and generally prohibits them from recovering their costs for complying with FOIA through their rates; potentially subjects certain meetings between PURA commissioners to FOIA's notice requirements

§§ 3 & 4 — NEW DUTY AND HIRE FOR THE AUDITORS OF PUBLIC ACCOUNTS

Requires the Auditors of Public Accounts to do a biennial financial and performance audit of the Home Energy Solutions Audit program and hire an additional auditor to do performance audits

§§ 5 & 6 — TIMING OF PURA HEARING NOTICES

Increases, from one to two weeks, the advance notice PURA must provide for all its hearings

§§ 8 & 9 — CAPS ON EDC RATES

Caps an EDC's allowed rate of return at its weighted average cost of capital and requires PURA to consider the need for a rate decrease if it finds that an EDC has a rate of return that exceeds its weighted average cost of capital

§§ 10-12 — UTILITY ACQUISITION APPLICATIONS AND PROHIBITION ON CONTROLLING BOTH AN EDC AND A GAS COMPANY

Eliminates a deemed approved provision affecting certain utility acquisition applications; beginning, October 1, 2025, prohibits PURA from approving applications to control a gas company or EDC if the applicant controls either type already in Connecticut; starting January

1, 2026, prohibits entities from controlling both an EDC and a gas company and requires any that do to divest one of the companies

§ 13 — RESTRICTION ON CONVEYING REAL PROPERTY TO UTILITIES

Prohibits state agencies, quasi-public agencies, and municipalities from offering certain utilities a right of first refusal for conveying any real property before offering the property for general sale

§§ 14 & 15 — RESTRICTIONS ON UTILITY FEES

Limits PURA's authority to approve a public service company fee if it would discourage the adoption grid-enhancing or energy efficient technologies; expressly prohibits EDCs from imposing any fee that PURA has not authorized

BACKGROUND

**SUMMARY**

This bill adds to and changes several laws, such as the Freedom of Information Act (FOIA), that affect how electric distribution companies (EDCs, i.e. Eversource and United Illuminating) and other utilities are regulated, including by the Public Utility Regulatory Authority (PURA). It also makes several technical and conforming changes.

EFFECTIVE DATE: October 1, 2025, unless otherwise specified below.

**§§ 1, 2 & 7 — FOIA AND UTILITIES AS PUBLIC AGENCIES**

*Subjects certain utility companies to FOIA and other laws by designating them as public agencies and generally prohibits them from recovering their costs for complying with FOIA through their rates; potentially subjects certain meetings between PURA commissioners to FOIA's notice requirements*

The bill expands the statutory definition for "public agency" under FOIA to include EDCs, gas companies, pipeline companies, and water companies with more than 200,000 customers in Connecticut, for any portions of their business subject to PURA's regulation (§ 1). This effectively subjects these companies to FOIA and other laws that use the term.

Relatedly, the bill prohibits these companies from recovering their

direct or indirect costs for complying with FOIA through their rates unless PURA recognizes them as proper business expenses that achieve certain objectives under existing laws governing rate-making (e.g., that they are just, reasonable, and adequate) (§ 2).

Separately, the bill eliminates a provision that expressly exempts certain conferences and communications between PURA commissioners from being considered a “meeting” under FOIA. Specifically, when serving on a panel to adjudicate a matter before PURA, conferences and communications between two or more PURA commissioners that do not occur before the public are exempt under current law (§ 7). Depending on the context and whether any other exemptions apply, this elimination in the bill may subject these conferences and communications to FOIA’s notice requirements for meetings.

### ***Extension of FOIA and Other Laws***

The following table lists and briefly describes the laws that will apply restrictions or requirements on EDCs, gas companies, pipeline companies, and water companies that are a “public agency” under the bill.

**Table: Statutes With Restrictions or Requirements on Public Agencies**

<b><i>Statute(s)</i></b>	<b><i>Brief Description</i></b>
1-200 et seq.	FOIA’s record disclosure, notice, and other requirements
4a-101	Requires public agencies to complete and submit standard contractor evaluation forms for work on certain state or municipal projects
4b-91	Requires prequalification for bidders on certain public agency projects for public buildings or public works
8-345d	Prohibits public agency employees and contractors from certain uses of information about people receiving assistance from the Department of Housing or participating in a department-administered program
8-360	Exempts public agencies from disclosing under FOIA the location of housing for domestic

<b>Statute(s)</b>	<b>Brief Description</b>
	violence victims
31-51m	Prohibits employers from penalizing an employee for disclosing illegal activities, unethical practices, or suspected child abuse or neglect to a public agency
47-61a	Exempts from FOIA records of traditional cultural knowledge submitted to a public agency
48-30	Prohibits representing the power to acquire property by eminent domain unless an appointed or elected official of a public agency with such power
52-146r	Generally prohibits disclosure of confidential communications between a government attorney and an employee of a public agency
53a-301	Sets a five-year mandatory minimum sentence for a computer crime in furtherance of terrorist purposes when directed against a public agency charged with protecting public safety
54-155a	Prohibits public agencies from providing information or using resources for an interstate investigation or proceeding on the provision, seeking, or receipt of, or assistance with, reproductive health care services
54-155b	Prohibits public agencies from providing information or using resources for an interstate investigation or proceeding on the provision, seeking, or receipt of, or assistance with, reproductive health care services or gender-affirming health care services

### **§§ 3 & 4 — NEW DUTY AND HIRE FOR THE AUDITORS OF PUBLIC ACCOUNTS**

*Requires the Auditors of Public Accounts to do a biennial financial and performance audit of the Home Energy Solutions Audit program and hire an additional auditor to do performance audits*

The bill requires the Home Energy Solutions Audit program to have a biennial financial and performance audit by the Auditors of Public Accounts (APA), instead of being reviewed by the Department of Energy and Environmental Protection (DEEP) commissioner for cost-effectiveness annually or otherwise as practicable (§ 3). (The bill does not further specify any criteria or requirements for these audits.) Under

current law, if DEEP's review determines that the program is not cost-effective, it must be modified to be cost-effective or be terminated, unless it is integral to other programs that in combination are cost-effective. (It is not clear if this requirement would apply to the program after an APA audit.)

Additionally, the bill requires the APA to hire an additional auditor to do performance audits by July 1, 2026 (§ 4).

EFFECTIVE DATE: July 1, 2025, except the program audit requirement is effective July 1, 2026.

### **§§ 5 & 6 — TIMING OF PURA HEARING NOTICES**

*Increases, from one to two weeks, the advance notice PURA must provide for all its hearings*

The bill increases, from one to two weeks, the advance notice PURA must provide for all its hearings (§ 6). It makes a corresponding change in a separate law to specify that two weeks' advance notice is required for a PURA hearing to rescind, reverse, or alter a PURA decision, order, or authorization (§ 5).

### **§§ 8 & 9 — CAPS ON EDC RATES**

*Caps an EDC's allowed rate of return at its weighted average cost of capital and requires PURA to consider the need for a rate decrease if it finds that an EDC has a rate of return that exceeds its weighted average cost of capital*

When an EDC proposes to amend its rates, the bill caps the EDC's allowed rate of return at its weighted average cost of capital, as determined by PURA (§ 8). Relatedly, the bill requires PURA to hold either a special public hearing or combine an investigation with an ongoing four-year review or a general rate hearing on the need for an interim rate decrease if it finds that an EDC has a rate of return greater than its weighted average cost of capital, as determined by PURA (§ 9).

(The legal effect of these provisions is unclear. Neither the bill or existing statutes specifically define either "rate of return" or "weighted average cost of capital." Although the bill appears to treat these terms as having two distinct meanings, in practice, the weighted average cost of capital is the rate of return. Utilities generally finance their operations

through a mix of debt and equity. In practice, to calculate the weighted average cost of capital, PURA uses the cost of debt (e.g., interest) and the cost of equity (determined by PURA in a rate proceeding). The cost of debt is weighted by the amount of debt the utility has and the cost of equity is weighted by the amount of equity the utility has used to finance its operations. The weighted average cost of capital is the rate of return PURA uses to calculate the utility's revenue requirement and the rates it may charge.)

### **§§ 10-12 — UTILITY ACQUISITION APPLICATIONS AND PROHIBITION ON CONTROLLING BOTH AN EDC AND A GAS COMPANY**

*Eliminates a deemed approved provision affecting certain utility acquisition applications; beginning, October 1, 2025, prohibits PURA from approving applications to control a gas company or EDC if the applicant controls either type already in Connecticut; starting January 1, 2026, prohibits entities from controlling both an EDC and a gas company and requires any that do to divest one of the companies*

The bill makes changes affecting applications to:

1. exercise authority or control over any gas company, EDC, water company, telephone company, or community antenna television (CATV) company engaged in the business of supplying service within Connecticut, or with or over any holding company doing the principal part of its business within the state, and
2. become a holding company with control over a gas company, EDC, water company, telephone company, or CATV company engaged in the business of supplying service within Connecticut, or acquire, directly or indirectly, control over such a holding company, or take any action that would if successful cause it to become or to acquire control over such a holding company.

Under existing law, PURA must investigate and hold a public hearing on whether to approve these applications, give certain notice about the hearing, and decide on the application within a specified time frame. The bill eliminates a provision that deems these applications approved if PURA fails to perform either of these duties by their deadlines.

Beginning October 1, 2025, the bill also prohibits PURA from approving any application to exercise authority or control over a gas company or EDC (or either's holding company) if the applicant already controls a gas company or EDC (or either's holding company) in Connecticut (§ 10).

Additionally, beginning January 1, 2026, the bill prohibits any person, firm, or corporation from controlling both an EDC and a gas company. It requires anyone who controls both these types of companies to divest one of them by that date. It also requires PURA to, after notice and hearing, revoke the franchise to operate as a public service company of any person, firm, or corporation that is non-compliant with these provisions (§ 11).

The bill makes corresponding changes to PURA's revocation of franchise law to account for the bill's revocation requirement. Under the bill and existing law, PURA must (1) fix a time and place for a hearing whenever someone is non-compliant, (2) give notice to all interested parties, and (3) investigate the non-compliance. PURA may revoke a franchise or make another order as needed to provide a franchise's service if it finds at the hearing that the franchise holder failed to comply and that there is an immediate need for the franchise's service (§ 12). (These provisions may be subject to litigation brought by a utility that has its franchise revoked as violations of the Connecticut or the U.S. Constitution's Taking Clauses, which prohibit taking property for public use without just compensation.)

### **§ 13 — RESTRICTION ON CONVEYING REAL PROPERTY TO UTILITIES**

*Prohibits state agencies, quasi-public agencies, and municipalities from offering certain utilities a right of first refusal for conveying any real property before offering the property for general sale*

The bill prohibits state agencies, quasi-public agencies, and municipalities from offering public service companies a right of first refusal for conveying any real property before offering the property for general sale. This prohibition applies regardless of any other statute.

**§§ 14 & 15 — RESTRICTIONS ON UTILITY FEES**

*Limits PURA's authority to approve a public service company fee if it would discourage the adoption grid-enhancing or energy efficient technologies; expressly prohibits EDCs from imposing any fee that PURA has not authorized*

The bill prohibits PURA from approving a public service company fee that would discourage the adoption of grid-enhancing or energy efficient technologies, as long as it is not construed to discourage the company from making capital investments in the grid (§ 14). It also expressly prohibits EDCs from imposing any fee that PURA has not authorized (§ 15).

**BACKGROUND*****Definitions***

By law and under the bill, an “electric distribution company” is generally any person providing electric transmission or distribution services in the state. It does not include, among other things, a private power producer, a municipal electric utility, or a municipal electric energy cooperative.

A “gas company” is generally any person owning, maintaining, operating, or controlling mains, pipes, or other fixtures in public highways or streets to transmit or distribute gas for sale for heat or power in the state. It does not include, among other things, (1) a person manufacturing gas through a biomass gasification plant under certain conditions or (2) municipal gas utilities.

A “pipeline company” is generally any person owning, maintaining, operating, or controlling mains, pipes, or other fixtures through, over, or under any public land, water, parkways, highways, parks or public grounds to transport, transmit, or distribute petroleum products for hire in the state.

A “water company” is generally any person owning, maintaining, operating, or controlling any pond, lake, reservoir, stream, well, or distributing plant or system to supply water to at least 50 consumers. It does not include, among other things, homeowners, condominium associations providing water only to their members; municipal

waterworks systems; or a district, metropolitan district, municipal district or special services district authorized to supply water.

A “public service company” includes electric distribution, gas, telephone, pipeline, sewage, water, and community antenna television companies and holders of a certificate of cable franchise authority, owning, leasing, maintaining, operating, managing, or controlling plants or parts of plants or equipment. It excludes towns, cities, boroughs, any municipal corporation or department, whether separately incorporated or not, a private power producer, or an exempt wholesale generator.

**Related Bills**

HB 6882 (File 81), favorably reported by the Government Oversight Committee, makes several changes to FOIA, including ones affecting public agencies.

sHB 7091 (File 514), favorably reported by the Government Oversight Committee, generally requires the APA to audit all the state’s ratepayer-funded energy efficiency programs.

SB 1354 (File 539), favorably reported by the Energy and Technology Committee, also prohibits PURA from approving applications from in-state gas or electric utilities seeking to control other in-state gas or electric utilities.

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 13 Nay 6 (03/26/2025)