

Calendar No. 584

104TH CONGRESS
2^D SESSION

S. 1317

[Report No. 104-365]

A BILL

To repeal the Public Utility Holding Company Act of 1935, to enact the Public Utility Holding Company Act of 1995, and for other purposes.

SEPTEMBER 9, 1996

Reported with an amendment and an amendment to the
title

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To repeal the Public Utility Holding Company Act of 1935, to enact the Public Utility Holding Company Act of 1995, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 12 (legislative day, OCTOBER 10), 1995

Mr. D'AMATO (for himself, Mr. MURKOWSKI, Mr. DODD, Mr. JOHNSTON, Mr. SHELBY, Mr. MACK, Mr. FAIRCLOTH, Mr. DOLE, Mr. LOTT, Mr. COCHRAN, Mr. HEFLIN, Mr. AKAKA, Mr. COVERDELL, Mr. INOUE, Mr. WARNER, Mr. COATS, Mr. GRAMS, and Mr. BENNETT) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

SEPTEMBER 9, 1996

Reported by Mr. D'AMATO, with an amendment and an amendment to the title

[Strike all after the enacting clause and insert the part printed in italic]

A BILL

To repeal the Public Utility Holding Company Act of 1935, to enact the Public Utility Holding Company Act of 1995, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Public Utility Holding
3 Company Act of 1995”.

4 **TITLE I—REPEAL OF THE PUBLIC UTILITY**
5 **HOLDING COMPANY ACT OF 1935**

6 **SEC. 101. PURPOSE.**

7 (a) The Public Utility Holding Company Act of 1935
8 was intended to facilitate the work of State and Federal
9 regulators by placing certain constraints on the activities
10 of holding company systems. Developments since 1935, in-
11 cluding changes in other regulation and in the industry
12 itself, have called into question the continued relevance of
13 the model of regulation established by the statute.

14 (b) There is, however, a continuing need for limited
15 Federal regulation in this area to ensure the rate protec-
16 tion of utility consumers. The Public Utility Holding Com-
17 pany Act of 1995 is intended to eliminate unnecessary reg-
18 ulation, yet still provide for consumer protection by provid-
19 ing for State commission access to books and records of
20 all companies in a holding company system, and for Fed-
21 eral audit authority and oversight of affiliate transactions,
22 to the extent that such activities affect rates, while, at the
23 same time, affording companies the flexibility required to
24 compete in today’s energy markets.

1 **SEC. 102. REPEAL OF THE PUBLIC UTILITY HOLDING COM-**
 2 **PANY ACT OF 1935.**

3 The Public Utility Holding Company Act of 1935, as
 4 amended, is hereby repealed, effective one year from the
 5 date of enactment of this Act.

6 **TITLE II—ENACTMENT OF THE PUBLIC**
 7 **UTILITY HOLDING COMPANY ACT OF 1995**

8 **SEC. 201. PURPOSE.**

9 Limited Federal regulation is necessary to supple-
 10 ment the work of State commissions for the continued rate
 11 protection of electric and gas utility consumers. This Act
 12 is intended to address these concerns by providing for
 13 Federal and State access to books and records of all com-
 14 panies in a holding company system and for federal over-
 15 sight of affiliate transactions, to the extent that such ac-
 16 tivities affect rates.

17 **SEC. 202. DEFINITIONS.**

18 (a) When used in this title:

19 (1) "Person" means an individual or company.

20 (2) "Company" means a corporation, joint
 21 stock company, partnership, association, business
 22 trust, organized group of persons, whether incor-
 23 porated or not, or a receiver or receivers, trustee or
 24 trustees of any of the foregoing.

25 (3) "Electric utility company" means any com-
 26 pany that owns or operates facilities used for the

1 generation, transmission, or distribution of electric
2 energy for sale.

3 (4) “Gas utility company” means any company
4 that owns or operates facilities used for distribution
5 at retail (other than the distribution only in enclosed
6 portable containers) of natural or manufactured gas
7 for heat, light or power.

8 (5) “Public utility company” means an electric
9 utility company or gas utility company but does not
10 mean a qualifying facility as defined in the Public
11 Utility Regulatory Policies Act of 1992, or an ex-
12 empt wholesale generator or a foreign utility com-
13 pany defined by the Energy Policy Act of 1992.

14 (6) “Holding company” means (A) any com-
15 pany that directly or indirectly owns, controls, or
16 holds with power to vote, 10 percent or more of the
17 outstanding voting securities of a public utility com-
18 pany or of a holding company of any public utility
19 company; and (B) any person, determined by the
20 Commission, after notice and opportunity for hear-
21 ing, to exercise directly or indirectly (either alone or
22 pursuant to an arrangement or understanding with
23 one or more persons) such a controlling influence
24 over the management or policies of any public utility
25 or holding company as to make it necessary or ap-

1 appropriate for the protection of consumers with re-
2 spect to rates that such person be subject to the ob-
3 ligations, duties, and liabilities imposed in this title
4 upon holding companies.

5 (7) "Subsidiary company" of a holding com-
6 pany means (A) any company 10 percent or more of
7 the outstanding voting securities of which are di-
8 rectly or indirectly owned, controlled, or held with
9 power to vote, by such holding company; and (B)
10 any person the management or policies of which the
11 Commission, after notice and opportunity for hear-
12 ing, determines to be subject to a controlling influ-
13 ence, directly or indirectly, by such holding company
14 (either alone or pursuant to an arrangement or un-
15 derstanding with one or more other persons) so as
16 to make it necessary for the protection of consumers
17 with respect to rates that such person be subject to
18 the obligations, duties, and liabilities imposed in this
19 title upon subsidiary companies of holding compa-
20 nies.

21 (8) "Holding company system" means a hold-
22 ing company together with its subsidiary companies.

23 (9) "Associate company" of a company means
24 any company in the same holding company system
25 with such company.

1 (10) “Affiliate” of a company means any com-
2 pany 5 percent or more of whose outstanding voting
3 securities are owned, controlled, or held with power
4 to vote, directly or indirectly, by such company.

5 (11) “Voting security” means any security pres-
6 ently entitling the owner or holder thereof to vote in
7 the direction or management of the affairs of a com-
8 pany.

9 (12) “Commission” means the Federal Energy
10 Regulatory Commission.

11 (13) “State Commission” means any commis-
12 sion, board, agency, or officer, by whatever name
13 designated, of a State, municipality, or other politi-
14 cal subdivision of a State that under the law of such
15 State has jurisdiction to regulate public utility com-
16 panies.

17 (b) No provision in this Act shall apply to, or be
18 deemed to include: (1) the United States; (2) a State or
19 any political subdivision of a State; (3) any foreign govern-
20 mental authority not operating in the United States; (4)
21 any agency, authority, or instrumentality of any of the
22 foregoing; or (5) any officer, agent, or employee of any
23 of the foregoing acting as such in the course of his official
24 duty.

1 **SEC. 203. EXEMPTIONS.**

2 (a) The provisions of this Act shall not apply to any
3 person previously exempted, by rule or order, from regula-
4 tion under the Public Utility Holding Company Act of
5 1935 and such person shall continue to be exempted from
6 the provisions of this Act: *Provided*, That the Commission
7 may institute proceedings to terminate such exemption if
8 the termination of such exemption would be necessary for
9 regulating the rates of a public utility company and nec-
10 essary for the protection of consumers.

11 (b) The Commission, by rules and regulations, or by
12 order upon application, may conditionally or uncondition-
13 ally exempt any person or transaction, or any class or
14 classes of persons or transactions, from any provision or
15 provisions of this title or of any rule or regulation there-
16 under, if the Commission finds that regulation of such per-
17 son or transaction is not relevant to the rates of a public
18 utility company, in considering whether to grant such an
19 exemption, the Commission shall consult with the affected
20 State commissions.

21 **SEC. 204. FEDERAL ACCESS TO BOOKS AND RECORDS.**

22 (a) Every holding company and subsidiary company
23 thereof shall maintain, and make available to the Commis-
24 sion, such books, records, accounts, and other documents
25 as the Commission deems relevant to costs incurred by
26 a public utility company that is an associate company of

1 such holding company and necessary or appropriate for
2 the protection of consumers with respect to rates.

3 (b) Every affiliate of a holding company or of any
4 subsidiary company thereof shall maintain, and make
5 available to the Commission, such books, records, ac-
6 counts, and other documents with respect to any trans-
7 action with another affiliate, as the Commission deems rel-
8 evant to costs incurred by a public utility company that
9 is an associate company of such holding company and nec-
10 essary or appropriate for the protection of consumers with
11 respect to rates.

12 (c) The Commission may examine the books and
13 records of any company in a holding company system, or
14 any affiliate thereof, as the Commission deems relevant
15 to costs incurred by a public utility company within such
16 holding company system and necessary or appropriate for
17 the protection of consumers with respect to rates.

18 (d) No member, officer, or employee of the Commis-
19 sion shall divulge any fact or information that may come
20 to his knowledge during the course of examination of
21 books, accounts, or other information as hereinbefore pro-
22 vided, except insofar as he may be directed by the Com-
23 mission or by a court.

1 **SEC. 205. STATE ACCESS TO BOOKS AND RECORDS.**

2 (a) Upon the written request of a State commission
3 having jurisdiction to regulate a public utility company in
4 a holding company system, and subject to such terms and
5 conditions as may be necessary and appropriate to safe-
6 guard against unwarranted disclosure to the public of any
7 trade secrets or sensitive commercial information, a hold-
8 ing company or its associate company or affiliate thereof,
9 wherever located, shall produce for inspection such books
10 and records as have been identified in reasonable detail
11 in a proceeding before the State commission, are relevant
12 to costs incurred by such public utility company and are
13 necessary for the effective discharge of the State commis-
14 sion's responsibilities with respect to such proceeding.

15 (b) Nothing in this section shall preempt applicable
16 State law concerning the provision of records and other
17 information, or in any way limit a State's rights to obtain
18 books and records and other information under Federal
19 law, contract, or otherwise.

20 **SEC. 206. AFFILIATE TRANSACTIONS.**

21 Nothing in this Act shall preclude the Commission
22 or a State commission from exercising its jurisdiction
23 under otherwise applicable law to determine whether a
24 public utility company may recover in rates any costs of
25 an activity performed by an associate company, or any

1 costs of goods or services acquired by such public utility
2 company from an associate company.

3 **SEC. 207. EFFECT ON OTHER REGULATION.**

4 Nothing in this Act shall preclude a State commission
5 from exercising its jurisdiction under otherwise applicable
6 law to protect utility consumers.

7 **SEC. 208. ENFORCEMENT.**

8 The Commission shall have the same powers as set
9 forth in Sections 306 through 317 of the Federal Power
10 Act (16 U.S.C. 825d–825p) to enforce the provisions of
11 this Act.

12 **SEC. 209. SAVINGS PROVISION.**

13 Nothing in this Act prohibits a person from engaging
14 in activities in which it is legally engaged or authorized
15 to engage on the effective date of the Public Utility Hold-
16 ing Company Act of 1995, provided that it continues to
17 comply with the terms of any authorization, whether by
18 rule or by order.

19 **SEC. 210. IMPLEMENTATION.**

20 The Commission shall promulgate regulations nec-
21 essary or appropriate to implement this Act not later than
22 one year after the date of the enactment of this title.

23 **SEC. 211. RESOURCES**

24 All books and records that relate primarily to the
25 function hereby vested in the Commission shall be trans-

1 ferred from the Securities and Exchange Commission to
2 the Commission. It is the sense of the Congress that, sub-
3 ject to the approval of the Director of the Office of Man-
4 agement and Budget and the Chairman of the Securities
5 and Exchange Commission all personnel of the Office of
6 Public Utility Regulation of the Securities and Exchange
7 Commission as of the date of enactment of this title should
8 be transferred to the Commission.

9 **SEC. 212. EFFECTIVE DATE.**

10 This Act shall take effect one year after the date of
11 enactment.

12 **SEC. 213. SEVERABILITY.**

13 If any provision of this Act, or the application of such
14 provision to any person or circumstance, shall be held in-
15 valid, the remainder of the Act, and the application of
16 such provision to persons or circumstances other than
17 those as to which it is held invalid, shall not be affected
18 thereby.

19 **TITLE III—CONFORMING CHANGES TO OTHER**
20 **STATUTES**

21 **SEC. 301. FEDERAL POWER ACT.**

22 Section 318 of the Federal Power Act (16 U.S.C.
23 285g) is hereby repealed.

1 **SECTION 1. SHORT TITLE.**

2 *This Act may be cited as the “Public Utility Holding*
3 *Company Act of 1996”.*

4 **SEC. 2. FINDINGS AND PURPOSES.**

5 *(a) FINDINGS.—The Congress finds that—*

6 *(1) the Public Utility Holding Company Act of*
7 *1935 was intended to facilitate the work of Federal*
8 *and State regulators by placing certain constraints*
9 *on the activities of holding company systems;*

10 *(2) developments since 1935, including changes*
11 *in other regulation and in the electric and gas indus-*
12 *tries, have called into question the continued relevance*
13 *of the model of regulation established by that Act;*

14 *(3) there is a continuing need for limited Fed-*
15 *eral and State regulation in order to ensure the rate*
16 *protection of utility customers; and*

17 *(4) limited Federal regulation is necessary to*
18 *supplement the work of State commissions for the*
19 *continued rate protection of electric and gas utility*
20 *customers.*

21 *(b) PURPOSES.—The purposes of this Act are—*

22 *(1) to eliminate unnecessary regulation, yet con-*
23 *tinue to provide for consumer protection by facilitat-*
24 *ing existing rate regulatory authority through im-*
25 *proved Federal and State commission access to books*
26 *and records of all companies in a holding company*

1 *system, to the extent that such information is relevant*
2 *to rates paid by utility customers, while affording*
3 *companies the flexibility required to compete in the*
4 *energy markets; and*

5 *(2) to address protection of electric and gas util-*
6 *ity customers by providing for Federal and State ac-*
7 *cess to books and records of all companies in a hold-*
8 *ing company system that are relevant to utility rates.*

9 **SEC. 3. DEFINITIONS.**

10 *For purposes of this Act—*

11 *(1) the term “affiliate” of a company means any*
12 *company 5 percent or more of the outstanding voting*
13 *securities of which are owned, controlled, or held with*
14 *power to vote, directly or indirectly, by such com-*
15 *pany;*

16 *(2) the term “associate company” of a company*
17 *means any company in the same holding company*
18 *system with such company;*

19 *(3) the term “Commission” means the Federal*
20 *Energy Regulatory Commission;*

21 *(4) the term “company” means a corporation,*
22 *partnership, association, joint stock company, busi-*
23 *ness trust, or any organized group of persons, whether*
24 *incorporated or not, or a receiver, trustee, or other*
25 *liquidating agent of any of the foregoing;*

1 (5) *the term “electric utility company” means*
2 *any company that owns or operates facilities used for*
3 *the generation, transmission, or distribution of elec-*
4 *tric energy for sale;*

5 (6) *the terms “exempt wholesale generator” and*
6 *“foreign utility company” have the same meanings as*
7 *in sections 32 and 33, respectively, of the Public Util-*
8 *ity Holding Company Act of 1935, as those sections*
9 *existed on the day before the effective date of this Act;*

10 (7) *the term “gas utility company” means any*
11 *company that owns or operates facilities used for dis-*
12 *tribution at retail (other than the distribution only in*
13 *enclosed portable containers or distribution to tenants*
14 *or employees of the company operating such facilities*
15 *for their own use and not for resale) of natural or*
16 *manufactured gas for heat, light, or power;*

17 (8) *the term “holding company” means—*

18 (A) *any company that directly or indirectly*
19 *owns, controls, or holds, with power to vote, 10*
20 *percent or more of the outstanding voting securi-*
21 *ties of a public utility company or of a holding*
22 *company of any public utility company; and*

23 (B) *any person, determined by the Commis-*
24 *sion, after notice and opportunity for hearing, to*
25 *exercise directly or indirectly (either alone or*

1 *pursuant to an arrangement or understanding*
2 *with one or more persons) such a controlling in-*
3 *fluence over the management or policies of any*
4 *public utility company or holding company as to*
5 *make it necessary or appropriate for the rate*
6 *protection of utility customers with respect to*
7 *rates that such person be subject to the obliga-*
8 *tions, duties, and liabilities imposed by this Act*
9 *upon holding companies;*

10 *(9) the term “holding company system” means a*
11 *holding company, together with its subsidiary compa-*
12 *nies;*

13 *(10) the term “jurisdictional rates” means rates*
14 *established by the Commission for the transmission of*
15 *electric energy in interstate commerce, the sale of elec-*
16 *tric energy at wholesale in interstate commerce, the*
17 *transportation of natural gas in interstate commerce,*
18 *and the sale in interstate commerce of natural gas for*
19 *resale for ultimate public consumption for domestic,*
20 *commercial, industrial, or any other use;*

21 *(11) the term “natural gas company” means a*
22 *person engaged in the transportation of natural gas*
23 *in interstate commerce or the sale of such gas in*
24 *interstate commerce for resale;*

1 (12) *the term “person” means an individual or*
2 *company;*

3 (13) *the term “public utility” means any person*
4 *who owns or operates facilities used for transmission*
5 *of electric energy in interstate commerce or sales of*
6 *electric energy at wholesale in interstate commerce;*

7 (14) *the term “public utility company” means*
8 *an electric utility company or a gas utility company;*

9 (15) *the term “State commission” means any*
10 *commission, board, agency, or officer, by whatever*
11 *name designated, of a State, municipality, or other*
12 *political subdivision of a State that, under the laws*
13 *of such State, has jurisdiction to regulate public util-*
14 *ity companies;*

15 (16) *the term “subsidiary company” of a holding*
16 *company means—*

17 (A) *any company, 10 percent or more of the*
18 *outstanding voting securities of which are di-*
19 *rectly or indirectly owned, controlled, or held*
20 *with power to vote, by such holding company;*
21 *and*

22 (B) *any person, the management or policies*
23 *of which the Commission, after notice and oppor-*
24 *tunity for hearing, determines to be subject to a*
25 *controlling influence, directly or indirectly, by*

1 *such holding company (either alone or pursuant*
2 *to an arrangement or understanding with one or*
3 *more other persons) so as to make it necessary*
4 *for the rate protection of utility customers with*
5 *respect to rates that such person be subject to the*
6 *obligations, duties, and liabilities imposed by*
7 *this Act upon subsidiary companies of holding*
8 *companies; and*

9 (17) the term “voting security” means any secu-
10 *rity presently entitling the owner or holder thereof to*
11 *vote in the direction or management of the affairs of*
12 *a company.*

13 **SEC. 4. REPEAL OF THE PUBLIC UTILITY HOLDING COM-**
14 **PANY ACT OF 1935.**

15 *The Public Utility Holding Company Act of 1935 (15*
16 *U.S.C. 79a et seq.) is repealed, effective 18 months after*
17 *the date of enactment of this Act.*

18 **SEC. 5. FEDERAL ACCESS TO BOOKS AND RECORDS.**

19 (a) *IN GENERAL.*—*Each holding company and each*
20 *associate company thereof shall maintain, and shall make*
21 *available to the Commission, such books, accounts, memo-*
22 *randa, and other records as the Commission deems to be*
23 *relevant to costs incurred by a public utility or natural gas*
24 *company that is an associate company of such holding com-*
25 *pany and necessary or appropriate for the protection of*

1 *utility customers with respect to jurisdictional rates for the*
2 *transmission of electric energy in interstate commerce, the*
3 *sale of electric energy at wholesale in interstate commerce,*
4 *the transportation of natural gas in interstate commerce,*
5 *and the sale in interstate commerce of natural gas for resale*
6 *for ultimate public consumption for domestic, commercial,*
7 *industrial, or any other use.*

8 **(b) AFFILIATE COMPANIES.**—*Each affiliate of a hold-*
9 *ing company or of any subsidiary company of a holding*
10 *company shall maintain, and make available to the Com-*
11 *mission, such books, accounts, memoranda, and other*
12 *records with respect to any transaction with another affili-*
13 *ate, as the Commission deems to be relevant to costs in-*
14 *curring by a public utility or natural gas company that is*
15 *an associate company of such holding company and nec-*
16 *essary or appropriate for the protection of utility customers*
17 *with respect to jurisdictional rates.*

18 **(c) HOLDING COMPANY SYSTEMS.**—*The Commission*
19 *may examine the books, accounts, memoranda, and other*
20 *records of any company in a holding company system, or*
21 *any affiliate thereof, as the Commission deems to be rel-*
22 *evant to costs incurred by a public utility or natural gas*
23 *company within such holding company system and nec-*
24 *essary or appropriate for the protection of utility customers*
25 *with respect to jurisdictional rates.*

1 (d) *CONFIDENTIALITY.*—No member, officer, or em-
 2 ployee of the Commission shall divulge any fact or informa-
 3 tion that may come to his or her knowledge during the
 4 course of examination of books, accounts, memoranda, or
 5 other records as provided in this section, except as may be
 6 directed by the Commission or by a court of competent ju-
 7 risdiction.

8 **SEC. 6. STATE ACCESS TO BOOKS AND RECORDS.**

9 (a) *IN GENERAL.*—Upon the written request of a State
 10 commission having jurisdiction to regulate a public utility
 11 company in a holding company system, and subject to such
 12 terms and conditions as may be necessary and appropriate
 13 to safeguard against unwarranted disclosure to the public
 14 of any trade secrets or sensitive commercial information,
 15 a holding company or its associate company or affiliate
 16 thereof, wherever located, shall produce for inspection books,
 17 accounts, memoranda, and other records that—

18 (1) have been identified in reasonable detail in
 19 a proceeding before the State commission;

20 (2) the State commission deems are relevant to
 21 costs incurred by such public utility company; and

22 (3) are necessary for the effective discharge of the
 23 responsibilities of the State commission with respect
 24 to such proceeding.

1 (b) *EFFECT ON STATE LAW.*—Nothing in this section
 2 shall preempt applicable State law concerning the provision
 3 of books, records, or any other information, or in any way
 4 limit the rights of any State to obtain books, records, or
 5 any other information under Federal law, contract, or oth-
 6 erwise.

7 (c) *COURT JURISDICTION.*—Any United States district
 8 court located in the State in which the State commission
 9 referred to in subsection (a) is located shall have jurisdic-
 10 tion to enforce compliance with this section.

11 **SEC. 7. EXEMPTION AUTHORITY.**

12 (a) *RULEMAKING.*—Not later than 90 days after the
 13 date of enactment of this Act, the Commission shall promul-
 14 gate a final rule to exempt from the requirements of section
 15 5 any person that is a holding company, solely with respect
 16 to one or more—

17 (1) *qualifying facilities under the Public Utility*
 18 *Regulatory Policies Act of 1978;*

19 (2) *exempt wholesale generators; or*

20 (3) *foreign utility companies.*

21 (b) *OTHER AUTHORITY.*—If, upon application or upon
 22 its own motion, the Commission finds that the books,
 23 records, accounts, memoranda, and other records of any
 24 person are not relevant to the jurisdictional rates of a pub-
 25 lic utility company, or if the Commission finds that any

1 *class of transactions is not relevant to the jurisdictional*
2 *rates of a public utility company, the Commission shall ex-*
3 *empt such person or transaction from the requirements of*
4 *section 5.*

5 **SEC. 8. AFFILIATE TRANSACTIONS.**

6 *Nothing in this Act shall preclude the Commission or*
7 *a State commission from exercising its jurisdiction under*
8 *otherwise applicable law to determine whether a public util-*
9 *ity company may recover in rates any costs of an activity*
10 *performed by an associate company, or any costs of goods*
11 *or services acquired by such public utility company from*
12 *an associate company.*

13 **SEC. 9. APPLICABILITY.**

14 *No provision of this Act shall apply to, or be deemed*
15 *to include—*

16 *(1) the United States;*

17 *(2) a State or any political subdivision of a*
18 *State;*

19 *(3) any foreign governmental authority not oper-*
20 *ating in the United States;*

21 *(4) any agency, authority, or instrumentality of*
22 *any entity referred to in paragraph (1), (2), or (3);*

23 *or*

1 (5) *any officer, agent, or employee of any entity*
2 *referred to in paragraph (1), (2), or (3) acting as*
3 *such in the course of his or her official duty.*

4 **SEC. 10. EFFECT ON OTHER REGULATIONS.**

5 *Nothing in this Act precludes the Commission or a*
6 *State commission from exercising its jurisdiction under oth-*
7 *erwise applicable law to protect utility customers.*

8 **SEC. 11. ENFORCEMENT.**

9 *The Commission shall have the same powers as set*
10 *forth in Sections 306 through 317 of the Federal Power Act*
11 *(16 U.S.C. 825d–825p) to enforce the provisions of this Act.*

12 **SEC. 12. SAVINGS PROVISIONS.**

13 (a) *IN GENERAL.*—*Nothing in this Act prohibits a per-*
14 *son from engaging in or continuing to engage in activities*
15 *or transactions in which it is legally engaged or authorized*
16 *to engage on the effective date of this Act, if that person*
17 *continues to comply with the terms of any such authoriza-*
18 *tion, whether by rule or by order.*

19 (b) *EFFECT ON OTHER COMMISSION AUTHORITY.*—
20 *Nothing in this Act limits the authority of the Commission*
21 *under the Federal Power Act (including section 301 of that*
22 *Act) or the Natural Gas Act (including section 8 of that*
23 *Act).*

1 **SEC. 13. IMPLEMENTATION.**

2 *Not later than 18 months after the date of enactment*
3 *of this Act, the Commission shall—*

4 *(1) promulgate such regulations as may be nec-*
5 *essary or appropriate to implement this Act; and*

6 *(2) submit to the Congress detailed recommenda-*
7 *tions on technical and conforming amendments to*
8 *Federal law necessary to carry out this Act and the*
9 *amendments made by this Act.*

10 **SEC. 14. TRANSFER OF RESOURCES.**

11 *All books and records that relate primarily to the func-*
12 *tions transferred to the Commission under this Act shall*
13 *be transferred from the Securities and Exchange Commis-*
14 *sion to the Commission.*

15 **SEC. 15. EFFECTIVE DATE.**

16 *This Act shall take effect 18 months after the date of*
17 *enactment of this Act.*

18 **SEC. 16. AUTHORIZATION OF APPROPRIATIONS.**

19 *There are authorized to be appropriated such funds as*
20 *may be necessary to carry out this Act.*

21 **SEC. 17. CONFORMING AMENDMENT TO THE FEDERAL**
22 **POWER ACT.**

23 *Section 318 of the Federal Power Act (16 U.S.C. 825q)*
24 *is repealed.*

Amend the title so as to read as follows: “A bill to
repeal the Public Utility Holding Company Act of 1935,

to enact the Public Utility Holding Company Act of 1996, and for other purposes.”.