

## **§16451. Definitions**

For purposes of this part:

### **(1) Affiliate**

The term "affiliate" of a company means any company, 5 percent or more of the outstanding voting securities of which are owned, controlled, or held with power to vote, directly or indirectly, by such company.

### **(2) Associate company**

The term "associate company" of a company means any company in the same holding company system with such company.

### **(3) Commission**

The term "Commission" means the Federal Energy Regulatory Commission.

### **(4) Company**

The term "company" means a corporation, partnership, association, joint stock company, business trust, or any organized group of persons, whether incorporated or not, or a receiver, trustee, or other liquidating agent of any of the foregoing.

### **(5) Electric utility company**

The term "electric utility company" means any company that owns or operates facilities used for the generation, transmission, or distribution of electric energy for sale.

### **(6) Exempt wholesale generator and foreign utility company**

The terms "exempt wholesale generator" and "foreign utility company" have the same meanings as in sections 79z-5a and 79z-5b of title 15, as those sections existed on the day before the effective date of this part.

### **(7) Gas utility company**

The term "gas utility company" means any company that owns or operates facilities used for distribution at retail (other than the distribution only in enclosed portable containers or distribution to tenants or employees of the company operating such facilities for their own use and not for resale) of natural or manufactured gas for heat, light, or power.

### **(8) Holding company**

#### **(A) In general**

The term "holding company" means—

(i) any company that directly or indirectly owns, controls, or holds, with power to vote, 10 percent or more of the outstanding voting securities of a public-utility company or of a holding company of any public-utility company; and

(ii) any person, determined by the Commission, after notice and opportunity for hearing, to exercise directly or indirectly (either alone or pursuant to an arrangement or understanding with one or more persons) such a controlling influence over the management or policies of any public-utility company or holding company as to make it necessary or appropriate for the rate protection of utility customers with respect to rates that such person be subject to the obligations, duties, and liabilities imposed by this part upon holding companies.

**(B) Exclusions**

The term "holding company" shall not include—

(i) a bank, savings association, or trust company, or their operating subsidiaries that own, control, or hold, with the power to vote, public utility or public utility holding company securities so long as the securities are—

(I) held as collateral for a loan;

(II) held in the ordinary course of business as a fiduciary; or

(III) acquired solely for purposes of liquidation and in connection with a loan previously contracted for and owned beneficially for a period of not more than two years; or

(ii) a broker or dealer that owns, controls, or holds with the power to vote public utility or public utility holding company securities so long as the securities are—

(I) not beneficially owned by the broker or dealer and are subject to any voting instructions which may be given by customers or their assigns; or

(II) acquired within 12 months in the ordinary course of business as a broker, dealer, or underwriter with the bona fide intention of effecting distribution of the specific securities so acquired.

**(9) Holding company system**

The term "holding company system" means a holding company, together with its subsidiary companies.

**(10) Jurisdictional rates**

The term "jurisdictional rates" means rates accepted or established by the Commission for the transmission of electric energy in interstate commerce, the sale of electric energy at wholesale in interstate commerce, the transportation of natural gas in interstate commerce, and the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use.

**(11) Natural gas company**

The term "natural gas company" means a person engaged in the transportation of natural gas in interstate commerce or the sale of such gas in interstate commerce for resale.

**(12) Person**

The term "person" means an individual or company.

**(13) Public utility**

The term "public utility" means any person who owns or operates facilities used for transmission of electric energy in interstate commerce or sales of electric energy at wholesale in interstate commerce.

**(14) Public-utility company**

The term "public-utility company" means an electric utility company or a gas utility company.

**(15) State commission**

The term "State commission" means any commission, board, agency, or officer, by whatever name designated, of a State, municipality, or other political subdivision of a State that, under the laws of such State, has jurisdiction to regulate public utility companies.

**(16) Subsidiary company**

The term "subsidiary company" of a holding company means—

(A) any company, 10 percent or more of the outstanding voting securities of which are directly or indirectly owned, controlled, or held with power to vote, by such holding company; and

(B) any person, the management or policies of which the Commission, after notice and opportunity for hearing, determines to be subject to a controlling influence, directly or indirectly, by such holding company (either alone or pursuant to an arrangement or understanding with one or more other persons) so as to make it necessary for the rate protection of utility customers with respect to rates that such person be subject to the obligations, duties, and liabilities imposed by this part upon subsidiary companies of holding companies.

**(17) Voting security**

The term "voting security" means any security presently entitling the owner or holder thereof to vote in the direction or management of the affairs of a company.

[\(Pub. L. 109-58, title XII, §1262, Aug. 8, 2005, 119 Stat. 972.\)](#)

**Editorial Notes**

**References in Text**

This part, referred to in text, was in the original "this subtitle", meaning subtitle F (§§1261-1277) of title XII of [Pub. L. 109-58, Aug. 8, 2005, 119 Stat. 972](#), which enacted this part, amended sections 824 and 824m of Title 16, Conservation, repealed chapter 2C (§79 et seq.) of Title 15, Commerce and Trade, and section 825q of Title 16, and enacted provisions set out as notes under this section and section 15801 of this title. For complete classification of subtitle F to the Code, see Short Title note set out under section 15801 of this title and Tables.

For the effective date of this part, referred to in par. (6), see Effective Date note set out below.

## **Statutory Notes and Related Subsidiaries**

### **Effective Date**

[Pub. L. 109-58, title XII, §1274, Aug. 8, 2005, 119 Stat. 977](#), provided that:

"(a) In General.—Except for section 1272 [42 U.S.C. 16460] (relating to implementation), this subtitle [subtitle F (§§1261 to 1277) of title XII of Pub. L. 109-58, enacting this part, amending sections 824 and 824m of Title 16, Conservation, repealing chapter 2C (§79 et seq.) of Title 15, Commerce and Trade, and section 825q of Title 16, and enacting provisions set out as a note under section 15801 of this title] shall take effect 6 months after the date of enactment of this subtitle [Aug. 8, 2005].

"(b) Compliance With Certain Rules.—If the [Federal Energy Regulatory] Commission approves and makes effective any final rulemaking modifying the standards of conduct governing entities that own, operate, or control facilities for transmission of electricity in interstate commerce or transportation of natural gas in interstate commerce prior to the effective date of this subtitle, any action taken by a public-utility company or utility holding company to comply with the requirements of such rulemaking shall not subject such public-utility company or utility holding company to any regulatory requirement applicable to a holding company under the Public Utility Holding Company Act of 1935 (15 U.S.C. 79 et seq.)."

### **Short Title**

For short title of subtitle F of title XII of Pub. L. 109-58, which enacted this part, as the "Public Utility Holding Company Act of 2005", see section 1261 of Pub. L. 109-58, set out as a note under section 15801 of this title.

## **§16452. Federal access to books and records**

### **(a) In general**

Each holding company and each associate company thereof shall maintain, and shall make available to the Commission, such books, accounts, memoranda, and other records as the Commission determines are relevant to costs incurred by a public utility or natural gas company that is an associate company of such holding company and necessary or appropriate for the protection of utility customers with respect to jurisdictional rates.

### **(b) Affiliate companies**

Each affiliate of a holding company or of any subsidiary company of a holding company shall maintain, and shall make available to the Commission, such books, accounts, memoranda, and other records with respect to any transaction with another affiliate, as the Commission determines are relevant to costs incurred by a public utility or natural gas company that is an associate company of such holding company and necessary or appropriate for the protection of utility customers with respect to jurisdictional rates.

**(c) Holding company systems**

The Commission may examine the books, accounts, memoranda, and other records of any company in a holding company system, or any affiliate thereof, as the Commission determines are relevant to costs incurred by a public utility or natural gas company within such holding company system and necessary or appropriate for the protection of utility customers with respect to jurisdictional rates.

**(d) Confidentiality**

No member, officer, or employee of the Commission shall divulge any fact or information that may come to his or her knowledge during the course of examination of books, accounts, memoranda, or other records as provided in this section, except as may be directed by the Commission or by a court of competent jurisdiction.

[\(Pub. L. 109-58, title XII, §1264, Aug. 8, 2005, 119 Stat. 974.\)](#)

**§16453. State access to books and records**

**(a) In general**

Upon the written request of a State commission having jurisdiction to regulate a public-utility company in a holding company system, the holding company or any associate company or affiliate thereof, other than such public-utility company, wherever located, shall produce for inspection books, accounts, memoranda, and other records that—

- (1) have been identified in reasonable detail in a proceeding before the State commission;
- (2) the State commission determines are relevant to costs incurred by such public-utility company; and
- (3) are necessary for the effective discharge of the responsibilities of the State commission with respect to such proceeding.

**(b) Limitation**

Subsection (a) does not apply to any person that is a holding company solely by reason of ownership of one or more qualifying facilities under the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2601 et seq.).

**(c) Confidentiality of information**

The production of books, accounts, memoranda, and other records under subsection (a) shall be subject to such terms and conditions as may be necessary and appropriate to safeguard against unwarranted disclosure to the public of any trade secrets or sensitive commercial information.

**(d) Effect on State law**

Nothing in this section shall preempt applicable State law concerning the provision of books, accounts, memoranda, and other records, or in any way limit the rights of any State to obtain books, accounts, memoranda, and other records under any other Federal law, contract, or otherwise.

**(e) Court jurisdiction**

Any United States district court located in the State in which the State commission referred to in subsection (a) is located shall have jurisdiction to enforce compliance with this section.

[\(Pub. L. 109-58, title XII, §1265, Aug. 8, 2005, 119 Stat. 975.\)](#)

### **Editorial Notes**

### **References in Text**

The Public Utility Regulatory Policies Act of 1978, referred to in subsec. (b), is [Pub. L. 95-617, Nov. 9, 1978, 92 Stat. 3117](#). For complete classification of this Act to the Code, see Short Title note set out under section 2601 of Title 16, Conservation, and Tables.