

(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 subtitle 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.

**SEC. 1263. REPEAL OF THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935.**

The Public Utility Holding Company Act of 1935 (15 U.S.C. 79 et seq.) is repealed.

42 USC 16452.

**SEC. 1264. 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.

**SEC. 1265. STATE ACCESS TO BOOKS AND RECORDS.**

42 USC 16453.

(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.

**SEC. 1266. EXEMPTION AUTHORITY.**

42 USC 16454.

(a) **RULEMAKING.**—Not later than 90 days after the effective date of this subtitle, the Commission shall issue a final rule to exempt from the requirements of section 1264 (relating to Federal access to books and records) any person that is a holding company, solely with respect to one or more—

- (1) qualifying facilities under the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2601 et seq.);
- (2) exempt wholesale generators; or
- (3) foreign utility companies.

(b) **OTHER AUTHORITY.**—The Commission shall exempt a person or transaction from the requirements of section 1264 (relating to Federal access to books and records) if, upon application or upon the motion of the Commission—

- (1) the Commission finds that the books, accounts, memoranda, and other records of any person are not relevant to the jurisdictional rates of a public utility or natural gas company; or
- (2) the Commission finds that any class of transactions is not relevant to the jurisdictional rates of a public utility or natural gas company.

Deadline.

42 USC 16455. **SEC. 1267. AFFILIATE TRANSACTIONS.**

(a) **COMMISSION AUTHORITY UNAFFECTED.**—Nothing in this subtitle shall limit the authority of the Commission under the Federal Power Act (16 U.S.C. 791a et seq.) to require that jurisdictional rates are just and reasonable, including the ability to deny or approve the pass through of costs, the prevention of cross-subsidization, and the issuance of such rules and regulations as are necessary or appropriate for the protection of utility consumers.

(b) **RECOVERY OF COSTS.**—Nothing in this subtitle shall preclude the Commission or a State commission from exercising its jurisdiction under otherwise applicable law to determine whether a public-utility company, public utility, or natural gas company may recover in rates any costs of an activity performed by an associate company, or any costs of goods or services acquired by such public-utility company from an associate company.

42 USC 16456. **SEC. 1268. APPLICABILITY.**

Except as otherwise specifically provided in this subtitle, no provision of this subtitle shall apply to, or be deemed to include—

- (1) the United States;
- (2) a State or any political subdivision of a State;
- (3) any foreign governmental authority not operating in the United States;
- (4) any agency, authority, or instrumentality of any entity referred to in paragraph (1), (2), or (3); or
- (5) any officer, agent, or employee of any entity referred to in paragraph (1), (2), (3), or (4) acting as such in the course of his or her official duty.

42 USC 16457. **SEC. 1269. EFFECT ON OTHER REGULATIONS.**

Nothing in this subtitle precludes the Commission or a State commission from exercising its jurisdiction under otherwise applicable law to protect utility customers.

42 USC 16458. **SEC. 1270. ENFORCEMENT.**

The Commission shall have the same powers as set forth in sections 306 through 317 of the Federal Power Act (16 U.S.C. 825e–825p) to enforce the provisions of this subtitle.

42 USC 16459. **SEC. 1271. SAVINGS PROVISIONS.**

(a) **IN GENERAL.**—Nothing in this subtitle, or otherwise in the Public Utility Holding Company Act of 1935, or rules, regulations, or orders thereunder, prohibits a person from engaging in or continuing to engage in activities or transactions in which it is legally engaged or authorized to engage on the date of enactment of this Act, if that person continues to comply with the terms (other than an expiration date or termination date) of any such authorization, whether by rule or by order.

(b) **EFFECT ON OTHER COMMISSION AUTHORITY.**—Nothing in this subtitle limits the authority of the Commission under the Federal Power Act (16 U.S.C. 791a et seq.) or the Natural Gas Act (15 U.S.C. 717 et seq.).

(c) **TAX TREATMENT.**—Tax treatment under section 1081 of the Internal Revenue Code of 1986 as a result of transactions ordered in compliance with the Public Utility Holding Company Act of 1935 (15 U.S.C. 79 et seq.) shall not be affected in any manner due to the repeal of that Act and the enactment of the Public Utility Holding Company Act of 2005.

**SEC. 1272. IMPLEMENTATION.**

Not later than 4 months after the date of enactment of this subtitle, the Commission shall—

(1) issue such regulations as may be necessary or appropriate to implement this subtitle (other than section 1265, relating to State access to books and records); and

(2) submit to Congress detailed recommendations on technical and conforming amendments to Federal law necessary to carry out this subtitle and the amendments made by this subtitle.

Deadline.  
42 USC 16460.

Regulations.

**SEC. 1273. TRANSFER OF RESOURCES.**

All books and records that relate primarily to the functions transferred to the Commission under this subtitle shall be transferred from the Securities and Exchange Commission to the Commission.

Records.  
42 USC 16461.

**SEC. 1274. EFFECTIVE DATE.**

(a) **IN GENERAL.**—Except for section 1272 (relating to implementation), this subtitle shall take effect 6 months after the date of enactment of this subtitle.

(b) **COMPLIANCE WITH CERTAIN RULES.**—If the 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.).

42 USC 16451  
note.

**SEC. 1275. SERVICE ALLOCATION.**

(a) **DEFINITION OF PUBLIC UTILITY.**—In this section, the term “public utility” has the meaning given the term in section 201(e) of the Federal Power Act (16 U.S.C. 824(e)).

(b) **FERC REVIEW.**—In the case of non-power goods or administrative or management services provided by an associate company organized specifically for the purpose of providing such goods or services to any public utility in the same holding company system, at the election of the system or a State commission having jurisdiction over the public utility, the Commission, after the effective date of this subtitle, shall review and authorize the allocation of the costs for such goods or services to the extent relevant to that associate company.

(c) **EFFECT ON FEDERAL AND STATE LAW.**—Nothing in this section shall affect the authority of the Commission or a State commission under other applicable law.

(d) **RULES.**—Not later than 4 months after the date of enactment of this Act, the Commission shall issue rules (which rules shall be effective no earlier than the effective date of this subtitle) to exempt from the requirements of this section any company in a holding company system whose public utility operations are confined substantially to a single State and any other class of transactions that the Commission finds is not relevant to the jurisdictional rates of a public utility.

42 USC 16462.

Deadline.

42 USC 16463.

**SEC. 1276. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated such funds as may be necessary to carry out this subtitle.

**SEC. 1277. CONFORMING AMENDMENTS TO THE FEDERAL POWER ACT.**

(a) CONFLICT OF JURISDICTION.—Section 318 of the Federal Power Act (16 U.S.C. 825q) is repealed.

(b) DEFINITIONS.—(1) Section 201(g)(5) of the Federal Power Act (16 U.S.C. 824(g)(5)) is amended by striking “1935” and inserting “2005”.

(2) Section 214 of the Federal Power Act (16 U.S.C. 824m) is amended by striking “1935” and inserting “2005”.

## **Subtitle G—Market Transparency, Enforcement, and Consumer Protection**

**SEC. 1281. ELECTRICITY MARKET TRANSPARENCY.**

Part II of the Federal Power Act is amended by adding at the end the following:

16 USC 824t.

**“SEC. 220. ELECTRICITY MARKET TRANSPARENCY RULES.**

“(a)(1) The Commission is directed to facilitate price transparency in markets for the sale and transmission of electric energy in interstate commerce, having due regard for the public interest, the integrity of those markets, fair competition, and the protection of consumers.

“(2) The Commission may prescribe such rules as the Commission determines necessary and appropriate to carry out the purposes of this section. The rules shall provide for the dissemination, on a timely basis, of information about the availability and prices of wholesale electric energy and transmission service to the Commission, State commissions, buyers and sellers of wholesale electric energy, users of transmission services, and the public.

“(3) The Commission may—

“(A) obtain the information described in paragraph (2) from any market participant; and

“(B) rely on entities other than the Commission to receive and make public the information, subject to the disclosure rules in subsection (b).

“(4) In carrying out this section, the Commission shall consider the degree of price transparency provided by existing price publishers and providers of trade processing services, and shall rely on such publishers and services to the maximum extent possible. The Commission may establish an electronic information system if it determines that existing price publications are not adequately providing price discovery or market transparency. Nothing in this section, however, shall affect any electronic information filing requirements in effect under this Act as of the date of enactment of this section.

“(b)(1) Rules described in subsection (a)(2), if adopted, shall exempt from disclosure information the Commission determines would, if disclosed, be detrimental to the operation of an effective market or jeopardize system security.

“(2) In determining the information to be made available under this section and time to make the information available, the Commission shall seek to ensure that consumers and competitive