

Public Law 101-572
101st Congress

An Act

Nov. 15, 1990
[H.R. 3656]

To clarify the application of the functional relationship test to gas utility holding companies registered under the Public Utility Holding Company Act of 1935.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Gas Related
Activities Act of
1990.
15 USC 79k note.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Gas Related Activities Act of 1990".

15 USC 79k note.

SEC. 2. RULE OF CONSTRUCTION.

(a) **TREATMENT OF CERTAIN ACQUISITIONS INVOLVING GAS COMPANIES OR GAS TRANSPORTATION OR STORAGE.**—The acquisition by a registered company of any interest in any natural gas company or of any interest in any company organized to participate in activities involving the transportation or storage of natural gas, shall be deemed, for the purposes of section 11(b)(1) of the Act, to be reasonably incidental or economically necessary or appropriate to the operation of such gas utility companies.

(b) **TREATMENT OF ACQUISITIONS RELATED TO SUPPLY OF NATURAL GAS; COMMISSION DETERMINATION OF CUSTOMER INTEREST.**—The acquisition by a registered company of any interest in any company organized to participate in activities (other than those of a natural gas company or involving the transportation or storage of natural gas) related to the supply of natural gas, including exploration, development, production, marketing, manufacture, or other similar activities related to the supply of natural or manufactured gas, shall be deemed, for purposes of section 11(b)(1) of the Act, to be reasonably incidental or economically necessary or appropriate to the operation of such gas utility companies, if—

(1) the Commission determines, after notice and opportunity for hearing in which the company proposing the acquisition shall have the burden of proving, that such acquisition is in the interest of consumers of each gas utility company of such registered company or consumers of any other subsidiary of such registered company; and

(2) the Commission determines that such acquisition will not be detrimental to the interest of consumers of any such gas utility company or other subsidiary or to the proper functioning of the registered holding company system.

(c) **CASE-BY-CASE DECISIONS REQUIRED.**—Each such determination under this section shall be made on a case-by-case basis, and not be based on any preset criteria.

(d) **SAVINGS PROVISION.**—Nothing herein shall be construed to affect the applicability of any other provisions of the Act to the acquisition or retention of any such interest by any such company.

(e) **DEFINITIONS.**—For purposes of this section—

(1) the term "registered company" means a company registered under the Act solely by reason of direct or indirect

ownership of voting securities of one or more gas utility companies, or any subsidiary company of such registered company;

(2) the term "natural gas company" has the meaning given such term under the Natural Gas Act (15 U.S.C. 717(a) et seq.); and

(3) the term "the Act" means the Public Utility Holding Company Act of 1935.

Approved November 15, 1990.

LEGISLATIVE HISTORY—H.R. 3656:

HOUSE REPORTS: No. 101-477 (Comm. on Energy and Commerce).

CONGRESSIONAL RECORD, Vol. 136 (1990):

May 8, considered and passed House.

Oct. 27, considered and passed Senate, amended. House concurred in Senate amendments.