



General Assembly

January Session, 2001

Raised Bill No. 6912

LCO No. 4170

Referred to Committee on Energy and Technology

Introduced by:
(ET)

AN ACT PROMOTING ENERGY SECURITY.

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

1 Section 1. Section 16-19kk of the general statutes is repealed and the
2 following is substituted in lieu thereof:

3 (a) The General Assembly finds that if the earnings of electric, gas,
4 telephone and water public service companies, as defined in section
5 16-1, are adversely affected by such companies' conservation and load
6 management programs or other programs promoting the state's
7 economic development, energy and other policy, those companies will
8 have a disincentive to implement such programs. The General
9 Assembly further finds that in order to further the implementation of
10 such programs the earnings of electric, gas, telephone and water
11 companies should be consistent with the principles and guidelines set
12 forth in sections 16-19e, 16-19aa and 16-19kk to 16-19oo, inclusive, as
13 amended by this act, and 16a-49 notwithstanding participation in
14 conservation and load management programs and other programs
15 authorized by the Department of Public Utility Control, promoting the
16 state's economic development, energy and other policy.

17 (b) The department shall complete, on or before December 31, [1991]
18 2002, an investigation into the relationship between a company's
19 volume of sales and its earnings. The department shall, on or before
20 July 1, [1993] 2004, implement rate-making and other procedures and
21 practices in order to encourage the implementation of conservation
22 and load management programs and other programs authorized by
23 the department promoting the state's economic development, energy
24 and other policy. Such procedures to implement a modification or
25 elimination of any direct relationship between the volume of sales and
26 the earnings of electric, gas, telephone and water companies may
27 include the adoption of a sales adjustment clause pursuant to
28 subsection (i) of section 16-19b, or other adjustment clause similar
29 thereto. The department's investigation shall include a review of its
30 regulations and policies to identify any existing disincentives to the
31 development and implementation of cost effective conservation and
32 load management programs and other programs promoting the state's
33 economic development, energy and other policy.

34 (c) Notwithstanding the provisions of subdivision (4) of subsection
35 (a) of section 16-19e, in a proceeding under subsection (a) of section 16-
36 19 the department shall consider for an electric, gas, telephone or
37 water public service company, as defined in section 16-1, in
38 establishing the company's authorized return within the range of
39 reasonable rates of return: Quality, reliability and cost of service
40 provided by the company, the reduced or shifted demand for
41 electricity, gas or water resulting from the company's conservation and
42 load management programs approved by the department, the
43 company's successful implementation of programs supporting
44 economic development of the state and the company's success in
45 decreasing or constraining dependence on the use of petroleum or any
46 other criteria consistent with the state energy or other policy. On and
47 after October 1, 2002, the department shall authorize a favorable rate of
48 return to electric suppliers, as defined in section 16-1, that successfully
49 implement a conservation and load management program approved
50 by the department. The department may also establish other

51 performance-based incentives both related and unrelated to the
52 company's rate of return designed to implement the purposes of said
53 sections 16-19e, 16-19aa, 16-19kk to 16-19oo, inclusive, as amended by
54 this act, and 16a-49.

55 (d) In any proceeding before the department in which a company
56 seeks beneficial rate treatment pursuant to this section, the Office of
57 Consumer Counsel may retain independent experts to provide
58 analysis, evaluation and testimony to address the issue of the
59 appropriateness of such beneficial treatment under consideration in
60 the proceeding, and all reasonable and proper expenses, to provide
61 such analysis, evaluation and testimony, to a maximum of fifty
62 thousand dollars per proceeding, shall be paid by the company and
63 shall be proper rate-making expenses.

64 (e) The Department of Public Utility Control may adopt regulations,
65 in accordance with the provisions of chapter 54, to carry out the
66 purposes of this section.

67 Sec. 2. The sum of ___ dollars is appropriated from the Renewable
68 Energy Investment Fund created pursuant to section 16-245n of the
69 general statutes, for the fiscal year ending June 30, 2001, to the Office of
70 Policy and Management, for the purpose of providing grants to state
71 agencies, as defined in section 4-37e of the general statutes, or entities
72 that receive funding from the state for the subsidization of the
73 development or installation of a Class I renewable energy source, as
74 defined in section 16-1 of the general statutes, at the facilities of such
75 agencies or entities.

Statement of Purpose:

To promote energy security by requiring performance-based ratemaking for electric suppliers and by providing grants to state agencies and certain entities for the development or installation of a Class I renewable energy source at their facilities.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]