



House of Representatives

General Assembly

File No. 95

January Session, 2003

Substitute House Bill No. 6399

House of Representatives, March 31, 2003

The Committee on Energy and Technology reported through REP. BACKER of the 121st Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE FILING OF INFORMATION REGARDING AMORTIZATION AGREEMENTS.

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

1 Section 1. Subdivisions (4) and (5) of subsection (b) of section 16-
2 262c of the general statutes are repealed and the following is
3 substituted in lieu thereof (*Effective October 1, 2003*):

4 (4) In order for a residential customer of a gas or electric distribution
5 company using gas or electricity for heat to be eligible to have any
6 moneys due and owing deducted from the customer's delinquent
7 account pursuant to this subdivision, the company furnishing gas or
8 electricity shall require that the customer (A) apply and be eligible for
9 benefits available under the Connecticut energy assistance program or
10 state appropriated fuel assistance program; (B) authorize the company
11 to send a copy of the customer's monthly bill directly to any energy
12 assistance agency for payment; (C) enter into and comply with an
13 amortization agreement, which agreement is consistent with decisions

14 and policies of the Department of Public Utility Control. Such an
15 amortization agreement shall reduce a customer's payment by the
16 amount of the benefits reasonably anticipated from the Connecticut
17 energy assistance program, state appropriated fuel assistance program
18 or other energy assistance sources. Unless the customer requests
19 otherwise, the company shall budget a customer's payments over a
20 twelve-month period with an affordable increment to be applied to
21 any arrearage, provided such payment plan will not result in loss of
22 any energy assistance benefits to the customer. If a customer
23 authorizes the company to send a copy of his monthly bill directly to
24 any energy assistance agency for payment, the energy assistance
25 agency shall make payments directly to the company. If, on April
26 thirtieth, a customer has been in compliance with the requirements of
27 subparagraphs (A) to (C), inclusive, of this subdivision, during the
28 period starting on the preceding November first, or from such time as
29 the customer's account becomes delinquent, the company shall deduct
30 from such customer's delinquent account an additional amount equal
31 to the amount of money paid by the customer between the preceding
32 November first and April thirtieth and paid on behalf of the customer
33 through the Connecticut energy assistance program and state
34 appropriated fuel assistance program. Any customer in compliance
35 with the requirements of subparagraphs (A) to (C), inclusive, of this
36 subdivision, on April thirtieth who continues to comply with an
37 amortization agreement through the succeeding October thirty-first,
38 shall also have an amount equal to the amount paid pursuant to such
39 agreement and any amount paid on behalf of such customer between
40 May first and the succeeding October thirty-first deducted from the
41 customer's delinquent account. In no event shall the deduction of any
42 amounts pursuant to this subdivision result in a credit balance to the
43 customer's account. No customer shall be denied the benefits of this
44 subdivision due to an error by the [gas] company. The Department of
45 Public Utility Control shall allow the amounts deducted from the
46 customer's account pursuant to the implementation plan, described in
47 subdivision (5) of this subsection, to be recovered by the company in
48 its rates as an operating expense, pursuant to said implementation

49 plan. If the customer fails to comply with the terms of the amortization
 50 agreement or any decision of the department rendered in lieu of such
 51 agreement and the requirements of subparagraphs (A) to (C),
 52 inclusive, of this subdivision, the company may terminate service to
 53 the customer, pursuant to all applicable regulations, provided such
 54 termination shall not occur between November first and April
 55 fifteenth.

56 (5) Each gas and electric distribution company shall submit to the
 57 Department of Public Utility Control annually, on or before July first,
 58 an implementation plan which shall include information concerning
 59 amortization agreements, counseling, reinstatement of eligibility, rate
 60 impacts and any other information deemed relevant by the
 61 department. The Department of Public Utility Control may, in
 62 consultation with the Office of Policy and Management, approve or
 63 modify such plan within ninety days of receipt of the plan. If the
 64 department does not take any action on such plan within ninety days
 65 of its receipt, the plan shall automatically take effect at the end of the
 66 ninety-day period, provided the department may extend such period
 67 for an additional thirty days by notifying the [gas] company before the
 68 end of the ninety-day period. Any amount recovered by a company in
 69 its rates pursuant to this subsection shall not include any amount
 70 approved by the Department of Public Utility Control as an
 71 uncollectible expense. The department may deny all or part of the
 72 recovery required by this subsection if it determines that the company
 73 seeking recovery has been imprudent, inefficient or acting in violation
 74 of statutes or regulations regarding amortization agreements.

This act shall take effect as follows:	
Section 1	October 1, 2003

Statement of Legislative Commissioners:

A reference to "gas" was deleted for purposes of consistency.

ET *Joint Favorable Subst.-LCO*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Public Utility Control, Dept.	CC&PUCF - None	None	None
Policy & Mgmt., Off.	GF - None	None	None

Note: CC&PUCF=Consumer Counsel and Public Utility Control Fund; GF=General Fund

Municipal Impact: None

Explanation

The bill requires the state’s electric distribution companies to annually submit their arrearages forgiveness plans to the Department of Public Utility Control (DPUC) and the Office of Policy and Management (OPM) for review and approval. Passage of the bill would not result in any additional fiscal impact to the state.

Current law requires that the state’s three gas companies (Connecticut Natural Gas, Southern Connecticut Gas and Yankee Gas Services) to offer such plans and to submit them to DPUC and OPM.¹ While the state’s two electric companies (Connecticut Light & Power and United Illuminated) have developed their own plans, they are not reviewed by any state regulatory agency.

¹ There are approximately 1.4 million electric customers statewide and 550,000 gas customers. It is estimated that 3% of electric customers and 9% of gas customers are eligible for some form of assistance under these types of forgiveness programs.

OLR Bill Analysis

sHB 6399

AN ACT CONCERNING THE FILING OF INFORMATION REGARDING AMORTIZATION AGREEMENTS**SUMMARY:**

This bill makes residential electric company customers who use electricity for heating eligible for a delinquency forgiveness program currently open to gas heating customers. The bill establishes eligibility criteria, describes the circumstances under which the electric company must forgive part of the delinquency, allows the companies to terminate service outside of the heating season for failure to comply with the amortization agreement, and requires the companies to submit implementation plans to the Department of Public Utility Control.

EFFECTIVE DATE: October 1, 2003

ELIGIBILITY CRITERIA

An electric company must require a customer who seeks to participate in the program to:

1. apply and be eligible for benefits under the Connecticut Energy Assistance Program (CEAP) or the State Appropriated Fuel Assistance (SAFA) program;
2. authorize the electric company to send a copy of his monthly bill directly to any energy assistance agency for payment; and
3. enter into and comply with any amortization agreement that is consistent with DPUC's policies and decision which reduces the customer's bill by the amount of benefits the company reasonably expects to receive from CEAP, SAFA, or other energy assistance programs.

DELINQUENCY FORGIVENESS

The company must budget a customer's payments over a 12-month

period, including an affordable additional amount to pay for any arrearage. The payment plan must be designed so that the customer will not lose any energy assistance benefits. At the customer's request, different terms can apply. When a customer authorizes the company to bill an energy assistance agency directly, the agency must pay the company directly.

If the customer meets these requirements either from the time his account becomes delinquent or from November 1 to April 30, the company must forgive an amount equal to his heating payments plus the amount paid by CEAP and SAFA between November 1 and April 30. The company must forgive an additional amount equal to the customer's payment plus any payments made on his behalf if he continues to comply with the payment plan from April 30 to October 31. The benefits provided under the bill cannot result in a credit balance in the customer's account. Customers cannot be denied benefits due to company errors.

TERMINATION PROVISIONS

If the customer fails to comply with the amortization agreement and related requirements of a DPUC decision issued in place of the agreement, the company can terminate his service. However, the termination cannot occur between November 1 and April 15 and must follow all applicable regulations. The law already prohibits electric and gas utilities from terminating service of poor, unemployed, and seriously ill customers during this period.

IMPLEMENTATION PLANS

Each electric company must submit an amortization program implementation plan to DPUC by July 1 annually. The plan must include information on amortization agreements, counseling, reinstatement of eligibility, rate effects, and other information DPUC considers relevant. DPUC, in consultation with the Office of Policy and Management and after holding a hearing, now approve or modify the plans within 90 days of receiving them. If DPUC does not act, the plan is considered approved, although DPUC can give itself another 30 days to act.

DPUC must allow the companies to recover the amount forgiven from customer accounts from ratepayers as an operating expense. The

recovery cannot include the amount that the company can already collect as an uncollectible expense. DPUC may deny all or part of this recovery if it determines that the company has been imprudent, inefficient, or acting in violation of statutes or regulations regarding amortization agreements.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Report

Yea 15 Nay 0