



House of Representatives

General Assembly

File No. 44

January Session, 2003

Substitute House Bill No. 6400

House of Representatives, March 20, 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 REGISTRATION OF NATURAL GAS SELLERS.

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

1 Section 1. Section 16-258a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2003*):

3 (a) Each person that sells natural gas to an end user in the state and
4 is not (1) a gas company, as defined in section 16-1, (2) a municipal gas
5 utility established under chapter 101 or any other gas utility owned,
6 leased, maintained, operated, managed or controlled by any unit of
7 local government under any general statute or any public or special
8 act, or (3) a gas pipeline or gas transmission company subject to the
9 provisions of chapter 208, shall register with the Department of Public
10 Utility Control prior to making any such sale by filing a form supplied
11 by said department. The registration period shall be for a one-year
12 term from October first to September thirtieth of the following year.

13 (b) Each person registered with the department shall: (1) Maintain a
14 bond or other security for at least the registration period or longer in
15 amount and form approved by the department, to ensure the person's
16 financial responsibility and its supply of natural gas to end-use
17 customers in accordance with contracts, agreements or arrangements;
18 (2) have a contractual relationship with an entity or entities to
19 purchase natural gas supply; (3) comply with the National Labor
20 Relations Act and regulations, if applicable; (4) comply with the
21 Connecticut Unfair Trade Practices Act and applicable regulations; and
22 (5) agree to cooperate with (A) each gas company, (B) each municipal
23 gas utility established under chapter 101 or any other gas utility
24 owned, leased, maintained, operated, managed or controlled by any
25 unit of local government under any general statute or special act, (C)
26 each gas pipeline or gas transmission company subject to the
27 provisions of chapter 208, (D) the department, and (E) all other gas
28 suppliers in the event of an emergency condition that may jeopardize
29 the safety and reliability of the state's natural gas system.

30 (c) Each person registered with the department shall [, at such times
31 as the department requires but not less than annually,] submit to the
32 department by July fifteenth of each year, on a form prescribed by the
33 department, an update of information the department deems relevant.
34 [A registered person shall notify the department at least ten days
35 before a change in corporate structure that affects the person.] Each
36 registered person shall pay an annual registration fee to be determined
37 by the department which shall not exceed the actual administrative
38 costs of the department and provide a bond or other security as
39 described in subdivision (1) of subsection (b) of this section. If the
40 department determines that a person registered with the department
41 has not complied with the requirements of subsection (b) or (c) of this
42 section, the department shall notify such person that their registration
43 expires on September thirtieth of that year and such person shall no
44 longer be authorized to sell natural gas to an end user in the state.

45 (d) A registered person shall notify the department at least ten days
46 before a change in corporate structure that affects the person. No

47 registration may be transferred without the prior approval of the
48 department. The department may assess additional registration fees to
49 pay the administrative costs of reviewing a request for such transfer.

50 (e) Any person who violates any provision of this section shall be
51 subject to sanctions by the department in accordance with section 16-
52 41, which may include, but are not limited to, the suspension or
53 revocation of such registration or a prohibition on accepting new
54 customers.

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

ET *Joint Favorable Subst.*

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: None

Municipal Impact: None

Explanation

This bill clarifies certain provisions of the law related to the registration of retail sellers of natural gas with the state's Department of Public Utility Control (DPUC).¹ Passage of the bill would result in no fiscal impact to the state.

¹ Currently, retailers pay \$500 annually to the State Treasurer to register with DPUC. This does not change under the bill.

OLR Bill Analysis

sHB 6400

AN ACT CONCERNING REGISTRATION OF NATURAL GAS SELLERS

SUMMARY:

By law, retail sellers of natural gas, other than utilities, must register with the Department of Public Utility Control (DPUC). This bill specifies that the registration period is from October 1 to the following September 30. By law, the seller must annually provide DPUC with updated information it requires. The bill specifies that the seller must provide DPUC with this information by July 15. By law, the seller must maintain a bond or other security in the form and amount specified by DPUC. The bill requires that the seller maintain this security for at least the period specified by DPUC.

By law, the registrant must also (1) have a contract with one or more gas suppliers (2) comply with the National labor Relations Act and Connecticut Unfair Trade Practices Act, (3) agree to cooperate with DPUC and other gas industry entities in the case of an emergency, and (4) pay an annual registration fee. Under the bill, if a seller fails to comply with any of these requirements, DPUC must notify it that its registration expires on September 30 and that it will no longer be allowed to sell gas.

EFFECTIVE DATE: October 1, 2003

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 11 Nay 0