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**Amendment**

LCO No. 6633

\*SB0073306633HD0\*

Offered by:

REP. NARDELLO, 89<sup>th</sup> Dist.  
REP. CARDIN, 53<sup>rd</sup> Dist.  
REP. CARUSO, 126<sup>th</sup> Dist.  
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REP. MCCLUSKEY, 20<sup>th</sup> Dist.  
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REP. O'BRIEN, 24<sup>th</sup> Dist.  
REP. ROY, 119<sup>th</sup> Dist.  
REP. SHARKEY, 88<sup>th</sup> Dist.  
REP. WILLIS, 64<sup>th</sup> Dist.  
REP. URBAN, 43<sup>rd</sup> Dist.  
REP. GONZALEZ, 3<sup>rd</sup> Dist.  
REP. MUSHINSKY, 85<sup>th</sup> Dist.  
REP. STAPLES, 96<sup>th</sup> Dist.  
REP. HAMM, 34<sup>th</sup> Dist.  
REP. LEWIS, 8<sup>th</sup> Dist.

To: Subst. Senate Bill No. 733

File No. 428

Cal. No. 529

(As Amended)

**"AN ACT CONCERNING REVISIONS TO THE ELECTRIC  
RESTRUCTURING LEGISLATION."**

1 Strike section 3 in its entirety and substitute the following in lieu  
2 thereof:

3 "Sec. 3. Section 16-243h of the general statutes is repealed and the  
4 following is substituted in lieu thereof (*Effective July 1, 2003*):

5 On and after January 1, 2000, each electric supplier [, as defined in

6 section 16-1] or any electric distribution company providing standard  
7 offer or back-up electric generation service, pursuant to section 16-  
8 244c, as amended by this act, shall give a credit for any electricity  
9 generated by a residential customer from a Class I renewable energy  
10 source or a hydropower facility, [as described in subdivision (27) of  
11 section 16-1.] The electric distribution company providing electric  
12 distribution services to such a customer shall make such  
13 interconnections necessary to accomplish such purpose. An electric  
14 distribution company, at the request of any residential customer  
15 served by such company and if necessary to implement the provisions  
16 of this section, shall provide for the installation of metering equipment  
17 that (1) measures electricity consumed by such customer from the  
18 facilities of the electric distribution company, (2) deducts from the  
19 measurement the amount of electricity produced by the customer and  
20 not consumed by the customer, and (3) registers, for each billing  
21 period, the net amount of electricity either [(i)] (A) consumed and  
22 produced by the customer, or [(ii)] (B) the net amount of electricity  
23 produced by the customer. A residential customer who generates  
24 electricity from a generating unit with a name plate capacity of more  
25 than ten kilowatts of electricity pursuant to the provisions of this  
26 section shall be assessed for the competitive transition assessment,  
27 pursuant to section 16-245g and the systems benefits charge, pursuant  
28 to section 16-245l, as amended by this act, based on the amount of  
29 electricity consumed by the customer from the facilities of the electric  
30 distribution company without netting any electricity produced by the  
31 customer. For purposes of this section, "residential customer" means a  
32 customer of a single-family dwelling or multifamily dwelling  
33 consisting of two to four units."

34 Strike section 4 in its entirety and substitute the following in lieu  
35 thereof:

36 "Sec. 4. Section 16-244c of the general statutes is repealed and the  
37 following is substituted in lieu thereof (*Effective July 1, 2003*):

38 (a) (1) On and after January 1, 2000, each electric distribution

39 company [, as defined in section 16-1,] shall make available to all  
40 customers in its service area, the provision of electric generation and  
41 distribution services through a standard offer. Under the standard  
42 offer, a customer shall receive electric services at a rate established by  
43 the Department of Public Utility Control pursuant to subdivision (2) of  
44 this subsection and subsection (g) of this section. Each electric  
45 distribution company shall provide electric generation services in  
46 accordance with such option to any customer who affirmatively  
47 chooses to receive electric generation services pursuant to the standard  
48 offer or does not or is unable to arrange for or maintain electric  
49 generation services with an electric supplier. [, as defined in said  
50 section 16-1. The standard offer shall automatically terminate on  
51 January 1, 2004, unless extended by the General Assembly pursuant to  
52 section 74 of public act 98-28\*.] While providing electric generation  
53 services under the standard offer, an electric distribution company  
54 may provide electric generation services through any of its generation  
55 entities or affiliates, provided such entities or affiliates are licensed  
56 pursuant to section 16-245, as amended by this act.

57 (2) Not later than October 1, 1999, the Department of Public Utility  
58 Control shall establish the standard offer for each electric distribution  
59 company, effective January 1, 2000, which shall allocate the costs of  
60 such company among electric transmission and distribution services,  
61 electric generation services, the competitive transition assessment and  
62 the systems benefits charge. The department shall hold a hearing that  
63 shall be conducted as a contested case in accordance with chapter 54 to  
64 establish the standard offer. [~~The~~] Until January 1, 2004, standard offer  
65 shall provide that the total rate charged under the standard offer,  
66 including electric transmission and distribution services, the  
67 conservation and load management program charge described in  
68 section 16-245m, as amended by this act, the renewable energy  
69 investment charge described in section 16-245n, electric generation  
70 services, the competitive transition assessment and the systems  
71 benefits charge shall be at least ten per cent less than the base rates, as  
72 defined in section 16-244a, in effect on December 31, 1996. On and after

73 January 1, 2004, the standard offer shall provide that the total rate  
74 charged under the standard offer, including electric transmission and  
75 distribution services, the conservation and load management program  
76 charge described in section 16-245m, as amended by this act, the  
77 renewable energy investment charge described in section 16-245n,  
78 electric generation services, the competitive transition assessment, the  
79 systems benefit charge, and the universal service charge described in  
80 section 21 of this act, shall not exceed the standard offer rates in effect  
81 on June 1, 2003, adjusted by increases or decreases in the Consumer  
82 Price Index for the prior twelve-month period. The standard offer shall  
83 be adjusted to the extent of any increase or decrease in state taxes  
84 attributable to sections 12-264 and 12-265 and any other increase or  
85 decrease in state or federal taxes resulting from a change in state or  
86 federal law and shall continue to be adjusted during such period  
87 pursuant to section 16-19b. Notwithstanding the provisions of section  
88 16-19b, the provisions of said section 16-19b shall apply to electric  
89 distribution companies. The standard offer may be adjusted, by an  
90 increase or decrease, to the extent approved by the department, in the  
91 event that (A) the revenue requirements of the company are affected as  
92 the result of changes in (i) legislative enactments other than public act  
93 98-28\*\* and this act, (ii) the price of electric generation services  
94 attributable to federal administrative requirements, or (iii) accounting  
95 standards occurring after July 1, 1998, provided such accounting  
96 standards are adopted by entities independent of the company that  
97 have authority to issue such standards, or (B) an electric distribution  
98 company incurs extraordinary and unanticipated expenses required  
99 for the provision of safe and reliable electric service to the extent  
100 necessary to provide such service. Savings attributable to a reduction  
101 in taxes shall not be shifted between customer classes.

102 (3) The price [reduction] reductions provided in subdivision (2) of  
103 this subsection shall not apply to customers who, on or after July 1,  
104 1998, are purchasing electric services from an electric company or  
105 electric distribution company, as the case may be, under a special  
106 contract or flexible rate tariff, [and] provided the company's filed

107 standard offer tariffs shall reflect that such customers shall not receive  
108 the standard offer price [reduction] during the term of said contract or  
109 tariff.

110 (4) (A) Each electric distribution company shall, on or before  
111 January 1, 2004, file with the department an application for an  
112 amendment of rates pursuant to section 16-19, which application shall  
113 include a four-year plan for the provision of electric transmission and  
114 distribution services. The department shall conduct a contested case  
115 proceeding pursuant to sections 16-19 and 16-19e to approve, reject or  
116 modify the application and plan. Upon the approval of such plan, as  
117 filed or as modified by the department, the department shall order that  
118 such plan shall establish the electric transmission and distribution  
119 services component of the standard offer.

120 (B) Notwithstanding the provisions of this subparagraph, an electric  
121 distribution company that, on or after September 1, 2002, completed a  
122 proceeding pursuant to sections 16-19 and 16-19e, shall not be required  
123 to file an application for an amendment of rates as required by this  
124 subparagraph. The department shall establish the electric transmission  
125 and distribution services component of the standard offer for any such  
126 company equal to the electric transmission and distribution services  
127 component of the standard offer established pursuant to subsection (a)  
128 of this section in effect on the effective date of this section for such  
129 company. If such electric distribution company applies to the  
130 department, pursuant to section 16-19, for an amendment of its rates  
131 on or before December 31, 2006, the application of the electric  
132 distribution company shall include a four-year plan.

133 (5) On and after January 1, 2007, each electric distribution company  
134 shall not provide standard offer service to any customer who uses a  
135 demand meter or has a maximum demand of greater than five  
136 hundred kilowatts.

137 (6) (A) The department, in consultation with the Office of Consumer  
138 Counsel, shall retain the services of a third-party entity with expertise

139 in the area of energy procurement to oversee the initial development of  
140 the request for proposals and the procurement of contracts by an  
141 electric distribution company for the provision of electric generation  
142 services offered pursuant to this subsection. Costs associated with the  
143 retention of such third-party entity shall be included in the cost of  
144 electric generation services that is included in such price.

145 (B) Each bidder for a standard service contract shall submit its bid to  
146 the electric distribution company and the third-party entity who shall  
147 jointly review the bids and submit an overview of all bids together  
148 with a joint recommendation to the department as to the preferred  
149 bidders. The department may, within ten business days of submission  
150 of the overview, reject the recommendation regarding preferred  
151 bidders where the department finds that the subject bid is  
152 unreasonably high or not in the public interest. In the event that the  
153 department rejects the preferred bids, the electric distribution  
154 company and the third-party entity shall rebid the service pursuant to  
155 this subdivision.

156 (7) (A) Notwithstanding the provisions of this section regarding the  
157 electric generation services component of the standard offer, section  
158 16-244h or 16-245o, the Department of Public Utility Control may, from  
159 time to time, direct an electric distribution company to offer, through  
160 an electric supplier or electric suppliers, before January 1, 2007, one or  
161 more alternative standard offer options. Such alternative options shall  
162 include, but not be limited to, an option that consists of the provision  
163 of electric generation services that exceed the renewable portfolio  
164 standards established in section 16-245a, as amended by this act, and  
165 may include an option that utilizes strategies or technologies that  
166 reduce the overall consumption of electricity of the customer.

167 (B) (i) The department shall develop such alternative option or  
168 options in a contested case conducted in accordance with the  
169 provisions of chapter 54. The department shall determine the terms  
170 and conditions of such alternative option or options, including, but not  
171 limited to, (I) the minimum contract terms, including pricing, length

172 and termination of the contract, and (II) the minimum percentage of  
173 electricity derived from Class I or Class II renewable energy sources, if  
174 applicable. The electric distribution company shall, under the  
175 supervision of the department, subsequently conduct a bidding  
176 process in order to solicit electric suppliers to provide such alternative  
177 option or options.

178 (ii) The department may reject some or all of the bids received  
179 pursuant to the bidding process.

180 (C) The department may require an electric supplier to provide  
181 forms of assurance to satisfy the department that the contracts  
182 resulting from the bidding process will be fulfilled.

183 (D) An electric supplier who fails to fulfill its contractual obligations  
184 resulting from this subdivision shall be subject to civil penalties, in  
185 accordance with the provisions of section 16-41, or the suspension or  
186 revocation of such supplier's license or a prohibition on the acceptance  
187 of new customers, following a hearing that is conducted as a contested  
188 case, in accordance with the provisions of chapter 54.

189 (b) On and after January 1, 2007, an electric distribution company  
190 shall serve customers that are not eligible to receive service pursuant to  
191 subsection (a) of this section as the supplier of last resort. This  
192 subsection shall not apply to customers purchasing power under  
193 contracts entered into pursuant to section 16-19hh. Any customer  
194 previously receiving electric generation services from an electric  
195 supplier shall not be eligible to receive supplier of last resort service  
196 pursuant to this subsection unless such customer agrees to receive  
197 supplier of last resort service for a period of not less than one year. An  
198 electric distribution company shall procure electricity to provide  
199 supplier of last resort electric generation services to customers  
200 pursuant to subsection (g) of this section. The Department of Public  
201 Utility Control shall determine a price for such customers that reflects  
202 the full cost of providing the electricity on a monthly basis. Each  
203 electric distribution company shall recover the actual net costs of

204 procuring and providing electric generation services pursuant to this  
205 subsection, provided such company mitigates the costs it incurs for the  
206 procurement of electric generation services for customers that are no  
207 longer receiving service pursuant to this subsection.

208 [(b) On and after January 1, 2004, each electric distribution company  
209 shall serve any customer who does not or is unable to arrange for or  
210 maintain electric generation services with an electric supplier. The  
211 electric distribution company shall procure electric generation services  
212 for such customers through a competitive bidding process. An electric  
213 distribution company may procure electric generation services through  
214 any of its generation entities or affiliates, provided such entity or  
215 affiliate is the lowest qualified bidder and provided further any such  
216 entity or affiliate is licensed pursuant to section 16-245.]

217 (c) On and after January 1, 2000, and until such time the regional  
218 independent system operator implements procedures for the provision  
219 of back-up power to the satisfaction of the Department of Public Utility  
220 Control, each electric distribution company shall provide electric  
221 generation services to any customer who has entered into a service  
222 contract with an electric supplier that fails to provide electric  
223 generation services for reasons other than the customer's failure to pay  
224 for such services. [Between January 1, 2000, and December 31, 2003, an  
225 electric distribution company may procure electric generation services  
226 through a competitive bidding process or through any of its generation  
227 entities or affiliates. On and after January 1, 2004, such company shall  
228 procure electric generation services through a competitive bidding  
229 process.] An electric distribution company shall procure electricity to  
230 provide back-up electric generation service pursuant to subsection (g)  
231 of this section. Such company may procure electric generation services  
232 through any of its generation entities or affiliates, provided such entity  
233 or affiliate is the lowest qualified bidder and provided further any  
234 such entity or affiliate is licensed pursuant to section 16-245, as  
235 amended by this act.

236 (d) An electric distribution company is not required to be licensed

237 pursuant to section 16-245, as amended by this act, to provide standard  
238 offer electric generation services in accordance with subsection (a) of  
239 this section, supplier of last resort service pursuant to subsection (b) of  
240 this section or back-up electric generation [services prior to January 1,  
241 2004, in accordance with subsection (c) of this section] service pursuant  
242 to subsection (c) of this section.

243 (e) The electric distribution company shall be entitled to recover  
244 reasonable costs incurred as a result of providing standard offer  
245 electric generation services pursuant to the provisions of subsection (a)  
246 of this section [, the default service pursuant to subsection (b) of this  
247 section or the back-up electric generation services pursuant to  
248 subsection (c) of this section] or back-up electric generation service  
249 pursuant to subsection (c) of this section. The provisions of this section  
250 and section 16-244a shall satisfy the requirements of section 16-19a  
251 until January 1, [2004] 2007.

252 (f) The Department of Public Utility Control shall establish, by  
253 regulations adopted pursuant to chapter 54, [standards or procedures  
254 for an electric distribution company's procuring power and  
255 competitive bidding for purposes of subsections (b) and (c) of this  
256 section in a commercially reasonable manner and] procedures for  
257 when and how a customer is notified that his electric supplier has  
258 defaulted and of the need for the customer to choose a new electric  
259 supplier within a reasonable period of time.

260 (g) (1) An electric distribution company providing electric  
261 generation services pursuant to this section shall mitigate the variation  
262 of the price of the service offered to its customers by procuring electric  
263 generation services contracts in the manner prescribed in a plan  
264 approved by the department. Such plan shall require the procurement  
265 of a portfolio of service contracts from the lowest qualified and  
266 responsible bidder sufficient to meet the projected load of the electric  
267 distribution company. Such plan shall require that the service contracts  
268 either consist of a portfolio of contracts that are procured in an  
269 overlapping pattern of fixed periods at such times and in such manner

270 and duration as the department determines to be most likely to  
271 produce just, reasonable and reasonably stable retail rates while  
272 reflecting underlying wholesale market prices over time, or a long-  
273 term contract or contracts at a fixed price, whichever the department  
274 determines to be in the public interest.

275 (2) A portfolio of contracts shall be assembled in such manner as to  
276 invite competition; guard against favoritism, improvidence,  
277 extravagance, fraud and corruption; and secure a reliable electricity  
278 supply while avoiding unusual, anomalous or excessive pricing. A  
279 portfolio of contracts procured under such plan shall be for terms of  
280 not less than six months, provided contracts for shorter periods may be  
281 procured under such conditions as the department shall prescribe to (i)  
282 ensure the lowest rates possible for end-use customers; (ii) ensure  
283 reliable service under extraordinary circumstances; and (iii) ensure the  
284 prudent management of the contract portfolio.

285 (3) An electric distribution company may receive a bid for an  
286 electric generation services contract from any of its generation entities  
287 or affiliates, provided such generation entity or affiliate submits its bid  
288 the business day preceding the first day on which an unaffiliated  
289 electric supplier may submit its bid and further provided the electric  
290 distribution company and the generation entity or affiliate are in  
291 compliance with the code of conduct established in section 16-244h. An  
292 electric distribution company may accept a bid from its generation  
293 entity or affiliate where the electric distribution company can  
294 demonstrate to the department that such bid would provide the best  
295 net benefit for ratepayers and is in the public interest.

296 (4) Not less than thirty days prior to the selection of bids for  
297 standard offer service, an electric distribution company shall post the  
298 bid specifications on its Internet website.

299 (5) All bids submitted by electric suppliers pursuant to this  
300 subsection shall be available for public review thirty days after the  
301 contracts are signed with the successful bidders.

302 (6) A contract procured pursuant to this subsection shall not allow  
303 for the reopening or reconsideration of the subject contract.

304 (h) (1) Notwithstanding the provisions of subsection (a) of this  
305 section regarding an alternative standard offer option, an electric  
306 distribution company providing standard offer service, standard  
307 service, supplier of last resort service or back-up electric generation  
308 service in accordance with this section shall comply with the  
309 renewable portfolio standards by contracting with an electric supplier  
310 to meet such standards. The Department of Public Utility Control shall  
311 annually conduct a contested case, in accordance with the provisions  
312 of chapter 54, in order to determine whether the electric distribution  
313 company met the renewable portfolio standards during the preceding  
314 year. The department shall require a payment by any such electric  
315 distribution company that fails to comply with the renewable portfolio  
316 standards during the subject annual period in the amount of five and  
317 one-half cents per kilowatt hour. The department shall allocate such  
318 payment to the Renewable Energy Investment Fund for the  
319 development of Class I renewable energy sources. A payment incurred  
320 pursuant to this subdivision shall not be deemed a recoverable  
321 operating expense in a rate proceeding held pursuant to section 16-19.

322 (2) Notwithstanding the provisions of subsection (a) of this section  
323 regarding an alternative standard offer option, an electric distribution  
324 company providing standard offer service, standard service, supplier  
325 of last resort service or back-up electric generation service in  
326 accordance with this section shall, not later than July 1, 2007, file with  
327 the Department of Public Utility Control one or more long-term power  
328 purchase contracts from Class I renewable energy source projects that  
329 receive funding from the Renewable Energy Investment Fund at a  
330 price that is not more than the total of the comparable wholesale  
331 market price for generation plus five and one-half cents per kilowatt  
332 hour. Such contracts shall be comprised of not less than a total,  
333 apportioned among each electric distribution company, of one  
334 hundred megawatts. The cost of such contracts and the administrative  
335 costs for the procurement of such contracts directly incurred shall be

336 eligible for inclusion in the generation services charge component of  
337 rates, provided that such contracts are for a period of time sufficient to  
338 provide financing for such projects, but not less than ten years and are  
339 for projects which began operation on or after July 1, 2003. The amount  
340 from Class I renewable energy sources contracted under such contracts  
341 shall be applied to reduce the applicable Class I renewable energy  
342 source portfolio standards. For purposes of this subdivision, the  
343 department's determination of the comparable wholesale market price  
344 for generation shall be based upon a reasonable estimate."

345 Strike subdivision (1) of subsection (a) of section 7 and substitute the  
346 following in lieu thereof:

347 "(a) (1) On and after [July 1, 2003,] January 1, 2004, an electric  
348 supplier and an electric distribution company providing standard offer  
349 pursuant to section 16-244c, as amended by this act, shall demonstrate  
350 to the satisfaction of the Department of Public Utility Control that not  
351 less than [one and one-half] one per cent of [such output] the total  
352 output or services of such supplier or distribution company shall be  
353 generated from Class I renewable energy sources and an additional  
354 [five and one-half] three per cent of the total output or services shall be  
355 from Class I or Class II renewable energy sources. On and after [July 1,  
356 2004] January 1, 2005, not less than [two] one and one-half per cent of  
357 the total output or services of any such supplier or distribution  
358 company shall be generated from Class I renewable energy sources  
359 and an additional [six] three per cent of the total output or services  
360 shall be from Class I or Class II renewable energy sources. On and after  
361 [July 1, 2005,] January 1, 2006, an electric supplier and an electric  
362 distribution company providing standard offer service or supplier of  
363 last resort service, pursuant to section 16-244c, as amended by this act,  
364 shall demonstrate that not less than [two and one-half] two per cent of  
365 the total output or services of any such supplier or distribution  
366 company shall be generated from Class I renewable energy sources  
367 and an additional [six] three per cent of the total output or services  
368 shall be from Class I or Class II renewable energy sources. On and after  
369 [July 1, 2006] January 1, 2007, not less than three and one-half per cent

370 of the total output or services of any such supplier or distribution  
371 company shall be generated from Class I renewable energy sources  
372 and an additional [six] three per cent of the total output or services  
373 shall be from Class I or Class II renewable energy sources. On and after  
374 [July 1, 2007] January 1 2008, not less than [four] five per cent of the  
375 total output or services of any such supplier or distribution company  
376 shall be generated from Class I renewable energy sources and an  
377 additional [six] three per cent of the total output or services shall be  
378 from Class I or Class II renewable energy sources. On and after [July 1,  
379 2008] January 1, 2009, not less than [five] six per cent of the total output  
380 or services of any such supplier or distribution company shall be  
381 generated from Class I renewable energy sources and an additional  
382 [six] three per cent of the total output or services shall be from Class I  
383 or Class II renewable energy sources. On and after [July 1, 2009]  
384 January 1, 2010, not less than [six] seven per cent of the total output or  
385 services of any such supplier or distribution company shall be  
386 generated from Class I renewable energy sources and an additional  
387 [seven] three per cent of the total output or services shall be from Class  
388 I or Class II renewable energy sources. [An electric supplier may  
389 satisfy the requirements of this subsection by participating in a  
390 renewable energy trading program approved by the state. Any  
391 supplier who provides electric generation services solely from a Class  
392 II renewable energy source shall not be required to comply with the  
393 provisions of this section.]"

394 Strike section 20 in its entirety and substitute the following in lieu  
395 thereof:

396 "Sec. 20. (*Effective from passage*) On or before July 1, 2005, the  
397 department shall initiate a contested case proceeding, in accordance  
398 with the provisions of chapter 54 of the general statutes, to examine the  
399 state of competition in the retail provision of electric generation  
400 services. The department shall examine factors associated with a  
401 competitive market place, including, but not limited to, (1) the number  
402 of electric suppliers providing electric generation services to end-use  
403 customers in this state; (2) the number of electric suppliers actively

404 marketing new end-use customers; (3) for each electric distribution  
405 company, the number of end-use customers receiving electric  
406 generation services as part of the standard offer established pursuant  
407 to section 16-244c of the general statutes, as amended by this act, as a  
408 percentage of the number of customers of each electric distribution  
409 company; (4) for each electric distribution company, the number of  
410 end-use customers receiving electric generation services from an  
411 electric supplier, as a percentage of the number of customers of each  
412 electric distribution company; (5) the number of end-use customers  
413 who have executed a contract with an electric supplier and who have  
414 returned to the standard offer established pursuant to section 16-244c,  
415 as amended by this act; and (6) any other factors the department may  
416 deem relevant. In its final decision in such case, the department shall  
417 make recommendations regarding the protection of ratepayers from  
418 excessive rate fluctuations and the development of the market place for  
419 the competitive provision of retail electric generation services. The  
420 department shall submit a copy of its final decision in such case to the  
421 joint standing committee of the General Assembly having cognizance  
422 of matters relating to energy and public utilities not later than January  
423 1, 2006."

424 After the last section, add the following and renumber sections and  
425 internal references accordingly:

426 "Sec. 501. (NEW) (*Effective October 1, 2003*) (a) Each electric  
427 distribution company, as defined in section 16-1 of the general statutes,  
428 as amended by this act, shall assess and collect a charge of one-half of  
429 one mill per kilowatt hour of electricity sold to each end-use customer  
430 to be used to implement an electric assistance program pursuant to this  
431 section to assist residential customers with nonheat electric generation  
432 services charges. Revenues from such charge shall not be included in  
433 calculating the electric distribution company's earnings for purposes  
434 of, or in determining whether its rates are just and reasonable under,  
435 sections 16-19, 16-19a and 16-19e of the general statutes.

436 (b) Each electric distribution company shall establish an Electric

437 Assistance Fund which shall be held separate and apart from all other  
438 funds and accounts in an interest-bearing account. Receipts from the  
439 charge imposed under subsection (a) of this section shall be deposited  
440 into the fund. Any balance remaining in the fund at the end of any  
441 fiscal year shall be carried forward in the fiscal year next succeeding.

442 (c) Residential customers eligible for assistance shall include  
443 households with a member receiving means-tested assistance  
444 administered or funded, in whole or in part, by the federal or state  
445 government. Moneys from the fund, including any earnings or interest  
446 earned by the fund, shall be disbursed by the electric generation  
447 company through vendor payments exclusively as credits toward  
448 current or future electric generation service charges incurred by  
449 eligible customers, except that not more than twenty per cent of annual  
450 fund collections may be used as a guarantee of bill payment for eligible  
451 residential households with a member receiving means-tested  
452 assistance to the extent determined necessary by the Department of  
453 Public Utility Control to facilitate contracting by the Office of Policy  
454 and Management for a purchasing pool pursuant to section 16a-14e of  
455 the general statutes. Payments pursuant to this section shall not be  
456 considered income or assets for purposes of any other state or locally  
457 funded or administered public assistance program.

458 (d) Each electric distribution company, in conjunction with the  
459 Electric Assistance Fund Board created pursuant to this subsection,  
460 shall develop a state-wide plan for the administration of the Electric  
461 Assistance Fund, including program design, outreach, certification of  
462 eligible households and distribution of electric assistance vendor  
463 payments. The plan shall be designed to expend funds in the year in  
464 which they are collected. The plan shall be subject to review and  
465 approval by the Department of Public Utility Control. The Electric  
466 Assistance Fund Board shall be comprised of the Consumer Counsel,  
467 the Commissioner of Social Services, the Director of Operation Fuel,  
468 Inc., the Executive Director of the Legal Assistance Resource Center of  
469 Connecticut, Inc., the state president of AARP, the director of the  
470 Office of Protection and Advocacy for the Disabled, and the director of

471 the State Commission on Aging, or their respective designees.

472 (e) Reasonable administrative expenses for operation and  
473 administration of the Electric Assistance Fund shall be recoverable  
474 through the systems benefit charge pursuant to section 16-2451 of the  
475 general statutes, as amended by this act."