



Senate

General Assembly

File No. 32

February Session, 2004

Substitute Senate Bill No. 148

Senate, March 11, 2004

The Committee on Energy and Technology reported through SEN. PETERS of the 20th Dist., Chairperson of the Committee on the part of the Senate, that that the substitute bill ought to pass.

AN ACT CONCERNING DIRECT BILLING BY ELECTRIC SUPPLIERS.

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

1 Section 1. Subsection (c) of section 16-244i of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2004*):

4 (c) Each electric distribution company shall continue to provide
5 metering, billing and collection services, except that, on and after the
6 effective date of the regulations adopted pursuant to section 16-245d,
7 as amended by this act, which allow an electric supplier to provide
8 direct billing and collection services for its customers that use a
9 demand meter or have a maximum demand of not less than five
10 hundred kilowatts and that choose to receive a bill directly from their
11 electric supplier, an electric distribution company shall not provide
12 billing and collection services for such customers. The department
13 shall determine billing and metering protocols and any appropriate

14 cost-sharing allocations among electric distribution companies and
15 electric suppliers.

16 Sec. 2. Section 16-245d of the general statutes, as amended by
17 section 22 of public act 03-135, is repealed and the following is
18 substituted in lieu thereof (*Effective October 1, 2004*):

19 (a) The Department of Public Utility Control shall, by regulations
20 adopted pursuant to chapter 54, develop a standard billing format that
21 enables customers to compare pricing policies and charges among
22 electric suppliers. Not later than January 1, 2005, the department shall
23 adopt regulations, in accordance with the provisions of chapter 54, to
24 provide that an electric supplier may provide direct billing and
25 collection services for its customers that use a demand meter or have a
26 maximum demand of not less than five hundred kilowatts and that
27 choose to receive a bill directly from such supplier. [On and after
28 January 1, 2000, each] An electric company, [or] electric distribution
29 company or electric supplier, as the case may be, shall, in accordance
30 with the billing format developed by the department, include [at a
31 minimum] the following information in each customer's bill, as
32 appropriate: (1) The total amount owed by the customer, which shall
33 be itemized to show, (A) the electric generation services component
34 and any additional charges imposed by the electric supplier, if
35 applicable, (B) the electric transmission and distribution charge,
36 including all applicable taxes and the systems benefits charge, as
37 provided in section 16-245l, as amended, (C) the competitive transition
38 assessment, as provided in section 16-245g, as amended, (D) federally-
39 mandated congestion costs, and (E) the conservation and renewable
40 energy charge, consisting of the conservation and load management
41 program charge, as provided in section 16-245m, as amended, and the
42 renewable energy investment charge, as provided in section 16-245n,
43 as amended; (2) any unpaid amounts from previous bills which shall
44 be listed separately from current charges; (3) except for customers
45 subject to a demand charge, the rate and usage for the current month
46 and each of the previous twelve months in the form of a bar graph or
47 other visual form; (4) the payment due date; (5) the interest rate

48 applicable to any unpaid amount; (6) the toll-free telephone number of
 49 the electric distribution company to report power losses; (7) the toll-
 50 free telephone number of the Department of Public Utility Control for
 51 questions or complaints; (8) the toll-free telephone number and
 52 address of the electric supplier; and (9) a statement about the
 53 availability of information concerning electric suppliers pursuant to
 54 section 16-245p, as amended.

55 (b) The regulations shall provide guidelines for determining the
 56 billing relationship between the electric distribution company and
 57 electric suppliers, including but not limited to, the allocation of partial
 58 bill payments and late payments between the electric distribution
 59 company and the electric supplier. [The] An electric distribution
 60 company that provides billing services for an electric supplier shall be
 61 entitled to recover from the electric supplier all reasonable transaction
 62 costs to provide such billing services as well as a reasonable rate of
 63 return, in accordance with the principles in subsection (a) of section 16-
 64 19e.

This act shall take effect as follows:	
Section 1	<i>October 1, 2004</i>
Sec. 2	<i>October 1, 2004</i>

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:

Agency Affected	Fund-Effect	FY 05 \$	FY 06 \$
Various State Agencies	Various - Savings	Potential Minimal	Potential Minimal

Municipal Impact:

Municipalities	Effect	FY 05 \$	FY 06 \$
Various Municipalities	Savings	Potential Minimal	Potential Minimal

Explanation

The bill allows electric suppliers to provide collection services and directly bill its industrial and commercial customers. Allowing electric suppliers an additional revenue source makes the market more attractive to firms desiring to enter. Assuming increased competition due to new electric suppliers entering the market, rates may decrease. As a result of both entities ability to bill directly and provide collection services, increased competition between electric suppliers and utilities may occur. Whether or not rates will decrease and the amount by which they decrease will directly depend on how many new firms enter the market and if any new competition arises between electric suppliers and utilities themselves. Therefore, states and municipalities, as ratepayers, may potentially realize savings.

OLR Bill Analysis

sSB 148

AN ACT CONCERNING DIRECT BILLING BY ELECTRIC SUPPLIERS**SUMMARY:**

This bill requires the Department of Public Utility Control to adopt regulations by January 1, 2005 to allow competitive electric suppliers to provide direct billing and collection services for commercial and industrial customers who (1) choose this option and (2) have a demand meter or whose peak demand is at least 500 kilowatts. Under current law, only distribution companies (Connecticut Light & Power and United Illuminating) can provide these services. Once the regulations are adopted, the distribution companies cannot provide billing and collection services to customers who choose to be billed directly by their supplier. The bill also makes conforming changes.

EFFECTIVE DATE: October 1, 2004

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 16 Nay 0