



House of Representatives

General Assembly

File No. 61

February Session, 2006

Substitute House Bill No. 5262

House of Representatives, March 21, 2006

The Committee on Energy and Technology reported through REP. FONTANA of the 87th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING MINOR REVISIONS TO THE UTILITY STATUTES.

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

1 Section 1. Subsection (a) of section 16-19 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2006*):

4 (a) No public service company may charge rates in excess of those
5 previously approved by the authority or the Department of Public
6 Utility Control except that any rate approved by the Public Utilities
7 Commission or the authority shall be permitted until amended by the
8 authority or the department, that rates not approved by the authority
9 or the department may be charged pursuant to subsection (b) of this
10 section, and that the hearing requirements with respect to adjustment
11 clauses are as set forth in section 16-19b, as amended. Each public
12 service company shall file any proposed amendment of its existing
13 rates with the department in such form and in accordance with such

14 reasonable regulations as the department may prescribe. Each electric,
15 electric distribution, gas or telephone company filing a proposed
16 amendment shall also file with the department an estimate of the
17 effects of the amendment, for various levels of consumption, on the
18 household budgets of high and moderate income customers and
19 customers having household incomes not more than one hundred fifty
20 per cent of the federal poverty level. Each electric and electric
21 distribution company shall also file such an estimate for space heating
22 customers. Each water company, except a water company that
23 provides water to its customers less than six consecutive months in a
24 calendar year, filing a proposed amendment, shall also file with the
25 department a plan for promoting water conservation by customers in
26 such form and in accordance with a memorandum of understanding
27 entered into by the department pursuant to section 4-67e. Each public
28 service company shall notify each customer who would be affected by
29 the proposed amendment, by mail, at least one week, but not more
30 than three weeks, prior to the public hearing thereon, that an
31 amendment has been or will be requested. Such notice shall also
32 indicate (1) the date, time and location of the scheduled public
33 hearings, (2) a statement that customers may provide written
34 comments regarding the proposed amendment to the Department of
35 Public Utility Control or may provide comments regarding the
36 proposed amendment by appearing in person at one of the scheduled
37 public hearings, (3) the Department of Public Utility Control telephone
38 number for obtaining information concerning the schedule for public
39 hearings on the proposed amendment, and [(2)] (4) whether the
40 proposed amendment would, in the company's best estimate, increase
41 any rate or charge by twenty per cent or more, and, if so, describe in
42 general terms any such rate or charge and the amount of the proposed
43 increase, provided no such company shall be required to provide more
44 than one form of the notice to each class of its customers. In the case of
45 a proposed amendment to the rates of any public service company, the
46 department shall hold a public hearing thereon, except as permitted
47 with respect to interim rate amendments by subsection (d) and
48 subsection (g) of this section, and shall make such investigation of such

49 proposed amendment of rates as is necessary to determine whether
50 such rates conform to the principles and guidelines set forth in section
51 16-19e, or are unreasonably discriminatory or more or less than just,
52 reasonable and adequate, or that the service furnished by such
53 company is inadequate to or in excess of public necessity and
54 convenience. The department, if in its opinion such action appears
55 necessary or suitable in the public interest may, and, upon written
56 petition or complaint of the state, under direction of the Governor,
57 shall, make the aforesaid investigation of any such proposed
58 amendment which does not involve an alteration in rates. If the
59 department finds any proposed amendment of rates to not conform to
60 the principles and guidelines set forth in section 16-19e, or to be
61 unreasonably discriminatory or more or less than just, reasonable and
62 adequate to enable such company to provide properly for the public
63 convenience, necessity and welfare, or the service to be inadequate or
64 excessive, it shall determine and prescribe, as appropriate, an adequate
65 service to be furnished or just and reasonable maximum rates and
66 charges to be made by such company. In the case of a proposed
67 amendment filed by an electric, electric distribution, gas or telephone
68 company, the department shall also adjust the estimate filed under this
69 subsection of the effects of the amendment on the household budgets
70 of the company's customers, in accordance with the rates and charges
71 approved by the department. The department shall issue a final
72 decision on each rate filing within one hundred fifty days from the
73 proposed effective date thereof, provided it may, before the end of
74 such period and upon notifying all parties and intervenors to the
75 proceedings, extend the period by thirty days.

76 Sec. 2. Subsections (b) and (c) of section 16-6a of the 2006
77 supplement to the general statutes are repealed and the following is
78 substituted in lieu thereof (*Effective October 1, 2006*):

79 (b) For any proceeding before the Federal Energy Regulatory
80 Commission, the United States Department of Energy [or] the United
81 States Nuclear Regulatory Commission, the United States Securities
82 and Exchange Commission, the Federal Trade Commission, the United

83 States Department of Justice or the Federal Communications
84 Commission, or appeal thereof, the Attorney General, upon request of
85 the department, may retain outside legal counsel in accordance with
86 section 3-125 to participate in such proceedings on behalf of the
87 department. All reasonable and proper expenses of such outside legal
88 counsel shall be borne by the public service companies, certified
89 telecommunications providers, electric suppliers or gas registrants that
90 are affected by the decisions of such proceedings and shall be paid at
91 such times and in such manner as the department directs, provided
92 such expenses shall be apportioned in proportion to the revenues of
93 each affected entity as reported to the department for purposes of
94 section 16-49 for the most recent period, and provided further such
95 expenses shall not exceed two hundred fifty thousand dollars per
96 proceeding, including any appeals thereof, in any calendar year unless
97 the department finds good cause for exceeding the limit and the
98 affected entities have an opportunity, after reasonable notice, to
99 comment on the proposed overage. All such legal expenses shall be
100 recognized by the department as proper business expenses of the
101 affected entities for rate-making purposes, as provided in section 16-
102 19e, if applicable.

103 (c) For any proceeding before the Federal Energy Regulatory
104 Commission, the United States Department of Energy, the United
105 States Nuclear Regulatory Commission, the United States Securities
106 and Exchange Commission, the Federal Trade Commission, the United
107 States Department of Justice or the Federal Communications
108 Commission, or appeal thereof, the Attorney General, upon request of
109 the Office of Consumer Counsel, may retain outside legal counsel in
110 accordance with section 3-125 to participate in such proceedings on
111 behalf of the office, provided the work performed on behalf of the
112 office shall not include lobbying activities, as defined in 2 USC 1602.
113 All reasonable and proper expenses of such outside legal counsel shall
114 be borne by the public service companies, certified
115 telecommunications providers, electric suppliers or gas registrants that
116 are affected by the decisions of such proceedings and shall be paid at
117 such times and in such manner as the office directs, provided such

118 expenses shall be apportioned in proportion to the revenues of each
119 affected entity as reported to the department for purposes of section
120 16-49 for the most recent period, and provided further such expenses
121 shall not exceed two hundred fifty thousand dollars, including any
122 appeals thereof, in any calendar year. The Department of Public Utility
123 Control shall recognize all such legal expenses as proper business
124 expenses of the affected entities for rate-making purposes, as provided
125 in section 16-19e, if applicable.

126 Sec. 3. Subsection (a) of section 16-245o of the general statutes is
127 repealed and the following is substituted in lieu thereof (*Effective*
128 *October 1, 2006*):

129 (a) To protect a customer's right to privacy from unwanted
130 solicitation, each electric company or electric distribution company, as
131 the case may be, shall distribute to each customer a form approved by
132 the Department of Public Utility Control which the customer shall
133 submit to the customer's electric or electric distribution company in a
134 timely manner if the customer does not want the customer's name,
135 address, telephone number and rate class to be released to electric
136 suppliers. On and after July 1, 1999, each electric or electric distribution
137 company, as the case may be, shall make available to all electric
138 suppliers customer names, addresses, telephone numbers, if known,
139 and rate class, unless the electric company or electric distribution
140 company has received a form from a customer requesting that such
141 information not be released. [Additional] In order for an electric
142 supplier to receive additional information about a customer for
143 marketing purposes, [shall not be released to any electric supplier
144 unless a] an electric distribution company shall obtain a consent to a
145 release by a residential customer [consents to a release by one of the
146 following] by one of the following methods and an electric supplier
147 shall obtain a consent to a release by a commercial or industrial
148 customer by one of the following methods: (1) An independent third-
149 party telephone verification; (2) receipt of a written confirmation
150 received in the mail from the customer after the customer has received
151 an information package confirming any telephone agreement; (3) the

152 customer signs a document fully explaining the nature and effect of the
153 release; or (4) the customer's consent is obtained through electronic
154 means, including, but not limited to, a computer transaction.

155 Sec. 4. Subsection (c) of section 16-262j of the general statutes is
156 repealed and the following is substituted in lieu thereof (*Effective*
157 *October 1, 2006*):

158 (c) Each public service company, certified telecommunications
159 provider and electric supplier shall pay interest on any security
160 deposit it receives from a customer at the average rate paid, as of
161 December 30, 1992, on savings deposits by insured commercial banks
162 as published in the Federal Reserve Board bulletin and rounded to the
163 nearest one-tenth of one percentage point, except in no event shall the
164 rate [be less than one and one-half per cent. On and after January 1,
165 1994, the rate] for each calendar year [shall] be [not] less than the
166 deposit index as [defined in] determined by the Banking
167 Commissioner pursuant to subsection (d) of this section for that year
168 and rounded to the nearest one-tenth of one percentage point, except
169 in no event shall the rate be less than one and one-half per cent.

170 Sec. 5. Subdivision (1) of subsection (c) of section 16-8a of the
171 general statutes is repealed and the following is substituted in lieu
172 thereof (*Effective October 1, 2006*):

173 (c) (1) Not more than [thirty] sixty business days after receipt of a
174 written complaint, in a form prescribed by the department, by an
175 employee alleging the employee's employer has retaliated against an
176 employee in violation of subsection (a) of this section, the department
177 shall make a preliminary finding in accordance with this subsection.

178 Sec. 6. Subdivision (1) of subsection (b) of section 16-262c of the
179 general statutes is repealed and the following is substituted in lieu
180 thereof (*Effective October 1, 2006*):

181 (b) (1) From November first to April fifteenth, inclusive, no electric
182 or electric distribution company, as defined in section 16-1, as

183 amended, no electric supplier and no municipal utility furnishing
 184 electricity shall terminate, deny or refuse to reinstate residential
 185 electric service in hardship cases where the customer lacks the
 186 financial resources to pay his or her entire account. From November
 187 first to April fifteenth, inclusive, no gas company and no municipal
 188 utility furnishing gas shall terminate, deny or refuse to reinstate
 189 residential gas service in hardship cases where the customer uses such
 190 gas for heat and lacks the financial resources to pay his or her entire
 191 account, except a gas company that, between April sixteenth and
 192 October thirty-first, terminated gas service to a residential customer
 193 who uses gas for heat and who, during the previous period of
 194 November first to April fifteenth, had gas service maintained because
 195 of hardship status, may refuse to reinstate the gas service from
 196 November first to April fifteenth, inclusive, only if the customer has
 197 failed to pay, since the preceding November first, the lesser of: (A)
 198 Twenty per cent of the outstanding principal balance owed the gas
 199 company as of the date of termination, (B) one hundred dollars, or (C)
 200 the minimum payments due under the customer's amortization
 201 agreement. Notwithstanding any other provision of the general
 202 statutes to the contrary, no electric, electric distribution or gas
 203 company, no electric supplier and no municipal utility furnishing
 204 electricity or gas shall terminate, deny or refuse to reinstate residential
 205 electric or gas service where the customer lacks the financial resources
 206 to pay his or her entire account and for which customer or a member
 207 of the customer's household the termination, denial or failure to
 208 reinstate such service would create a life-threatening situation.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006</i>	16-19(a)
Sec. 2	<i>October 1, 2006</i>	16-6a(b) and (c)
Sec. 3	<i>October 1, 2006</i>	16-245o(a)
Sec. 4	<i>October 1, 2006</i>	16-262j(c)
Sec. 5	<i>October 1, 2006</i>	16-8a(c)(1)
Sec. 6	<i>October 1, 2006</i>	16-262c(b)(1)

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 07 \$	FY 08 \$
All	Various - Cost	Potential Minimal	Potential Minimal

Municipal Impact:

Municipalities	Effect	FY 07 \$	FY 08 \$
All Municipalities	Cost	Potential Minimal	Potential Minimal

Explanation

The bill expands public notice requirements regarding proposed utility rates. This has no fiscal impact.

The bill also allows the Department of Public Utility Control (DPUC) to request that the Attorney General (AG) retain outside legal counsel for proceedings before certain federal agencies and federal courts on certain matters. However, the bill limits such legal expenses to \$250,000 per calendar year, unless DPUC finds good cause for exceeding the limit. Under the bill, these legal expenses must be recognized as business expenses for traditional ratemaking purposes. Therefore, utilities would be able to recover the legal expenses in rates. Since the legal expenses are limited to \$250,000 per calendar year, to the extent that such costs could be passed on to the state and municipalities as ratepayers, it would be minimal.

The Out Years

The annualized ongoing fiscal impact identified above would

continue into the future subject to inflation.

OLR Bill Analysis
sHB 5262

AN ACT CONCERNING MINOR REVISIONS TO THE UTILITY STATUTES.

SUMMARY:

This bill expands public notice requirements regarding proposed utility rate changes.

By law, utilities and competitive electric suppliers cannot terminate electric or gas heating service, or refuse to reinstate service, from November 1 to April 15 if the customer cannot pay his bill and is a hardship case. In addition, they cannot terminate or refuse to reinstate service at any time to any customer who cannot pay his bill, if doing so would create a life-threatening situation for the customer or a member of his household. The bill additionally bars utilities and suppliers from denying service in these circumstances.

The bill allows the attorney general, at the request of the Department of Public Utility Control (DPUC), to retain outside counsel for proceedings before the Federal Communications Commission, the Securities Exchange Commission, or the U.S. Department of Justice or appeals of these proceedings. The attorney general currently has this authority with regard to proceedings before the Federal Energy Regulatory Commission, the Nuclear Regulatory Commission, and the Department of Energy and subsequent appeals. By law, the cost of the outside counsel is recovered from the affected DPUC-regulated company.

By law, information about an electric utility customer, beyond his name, address, telephone number, and rate class, can only be released to a competitive supplier with the customer's consent. The bill

specifies that this consent must be obtained by the electric utility, in the case of a residential customer, and by the supplier in the case of a commercial or industrial customer.

The bill gives DPUC 60, rather than 30, days to make a preliminary finding in response to an allegation by an employee of a utility or related company that his employer has retaliated against him for making a whistleblowing complaint.

The bill also makes a technical change.

EFFECTIVE DATE: October 1, 2006

UTILITY RATE CHANGE NOTICE REQUIREMENTS

By law, when a utility regulated by the Department of Public Utility Control seeks to change its rates, it must notify each customer that would be affected by the change. The bill requires this notice to identify the date, time, and location of the DPUC hearing on the proposal and to state that customers can provide written statements regarding the proposal to the DPUC or make comments at the hearing. By law, this notice must be sent at least one week before the hearing; the bill specifies that it cannot be sent more than three weeks before the hearing.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 18 Nay 0 (03/07/2006)