



House of Representatives

File No. 583

General Assembly

February Session, 2008

(Reprint of File No. 291)

Substitute House Bill No. 5326
As Amended by House Amendment Schedule
"A"

Approved by the Legislative Commissioner
April 11, 2008

AN ACT CONCERNING MUNICIPAL ELECTRIC COSTS.

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

1 Section 1. Subdivision (1) of subsection (c) of section 16-244c of the
2 2008 supplement to the general statutes is repealed and the following
3 is substituted in lieu thereof (*Effective from passage*):

4 (c) (1) On and after January 1, 2007, each electric distribution
5 company shall provide electric generation services through standard
6 service to any customer who (A) does not arrange for or is not
7 receiving electric generation services from an electric supplier, and (B)
8 [does not use a demand meter or] either has a maximum demand of
9 less than five hundred kilowatts or is a school district or a
10 municipality, provided no school district or municipality previously
11 receiving electric generation services from an electric supplier shall be
12 eligible to receive standard service unless such customer agrees to
13 receive standard service for a period of not less than six months.

14 Sec. 2. Section 16-243n of the 2008 supplement to the general statutes
15 is amended by adding subsection (h) as follows (*Effective from passage*):

16 (NEW) (h) The provisions of this section concerning time-of-use
17 rates shall not apply to municipalities and school districts.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-244c(c)(1)
Sec. 2	<i>from passage</i>	16-243n

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 chamber thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 09 \$	FY 10 \$
All Municipalities	Savings	Potential	Potential

Explanation

This bill expands the types of customers to whom electric companies must provide standard service to include municipal and school district customers. These customers have previously used the “supplier of last resort service” which is usually a more expensive form of electric service. This change could result in a potential savings to municipalities.

House “A,” which clarifies the language regarding exemption of municipalities and school districts from time-of-use rates, has no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 5326 (as amended by House "A")******AN ACT CONCERNING MUNICIPAL ELECTRIC COSTS.*****SUMMARY:**

This bill expands the types of customers to whom electric companies must provide "standard service" to include municipal and school district customers.

The bill exempts municipalities and school districts from being subject to mandatory time-of-use electric rates and related provisions.

*House Amendment "A" exempts municipalities and school districts from all provisions of a law relating to mandatory time-of-use rates, rather than just the provisions requiring electric companies to submit plans to implement these rates.

EFFECTIVE DATE: Upon passage

STANDARD SERVICE

Under current law, companies must provide standard service to customers who have not chosen a competitive supplier, unless their maximum demand is 500 kilowatts or more or they have a demand meter. The companies must provide "last resort service" to customers who have not chosen a supplier whose demand is above this amount or who have a demand meter. There are several differences in how power is procured for these two services and how they are priced.

The bill shifts customers who have a demand meter but whose maximum demand is less than 500 kilowatts from last-resort service to standard service. It requires the companies to put municipalities and school districts on standard service, regardless of their demand. But, it

bars a municipality or school district from being on standard service if it was previously served by a competitive supplier unless it agrees to stay on standard service for at least six months.

TIME-OF-USE RATES

The bill exempts municipalities and school districts from certain a law that:

1. required electric companies to submit to the Department of Public Utility Control (DPUC), applications to place their customers whose demand was 350 kilowatts (kw) or more on mandatory time-of-use rates;
2. required DPUC to approve, reject, or modify the applications;
3. established a procedure by which DPUC can waive mandatory time-of-use rates; and
4. required electric companies to issue comparative analyses to their customers showing the impact of the mandatory rates.

Thus, under the bill, electric companies' applications do not have to implement time-of-use rates for municipalities and school districts. But the applications still must offer customers, including municipalities and school districts, seasonal rates and, for those whose demand is more than 350 kw, optional interruptible or load response rates.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 22 Nay 0 (03/11/2008)