



House of Representatives

General Assembly

File No. 70

January Session, 2009

Substitute House Bill No. 6302

House of Representatives, March 16, 2009

The Committee on Energy and Technology reported through REP. NARDELLO of the 89th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING REVISIONS TO THE UTILITY STATUTES.

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

1 Section 1. Section 16-18a of the general statutes is amended by
2 adding subsection (d) as follows (*Effective from passage*):

3 (NEW) (d) For any proceeding before the Federal Energy
4 Regulatory Commission, the United States Department of Energy, the
5 United States Nuclear Regulatory Commission, the United States
6 Securities and Exchange Commission, the Federal Trade Commission,
7 the United States Department of Justice or the Federal
8 Communications Commission, the department may retain consultants
9 to assist its staff in such proceedings by providing expertise in areas in
10 which staff expertise does not currently exist or to supplement staff
11 expertise. All reasonable and proper expenses of such expert
12 consultants shall be borne by the public service companies, certified
13 telecommunications providers, electric suppliers or gas registrants
14 affected by the decisions of such proceeding and shall be paid at such

15 times and in such manner as the department directs, provided such
16 expenses (1) shall be apportioned in proportion to the revenues of each
17 affected entity as reported to the department pursuant to section 16-49
18 for the most recent period, and (2) shall not exceed two hundred fifty
19 thousand dollars per proceeding, including any appeals thereof, in any
20 calendar year unless the department finds good cause for exceeding
21 the limit. The department shall recognize all such expenses as proper
22 business expenses of the affected entities for ratemaking purposes
23 pursuant to section 16-19e, if applicable.

24 Sec. 2. Section 16-35 of the general statutes is amended by adding
25 subsection (c) as follows (*Effective from passage*):

26 (NEW) (c) Notwithstanding the provisions of the general statutes,
27 proceedings in which the Department of Public Utility Control
28 conducts a request for proposals or any other procurement process for
29 the purpose of acquiring electricity products or services for the benefit
30 of ratepayers shall be uncontested.

31 Sec. 3. Subsection (c) of section 16-262j of the general statutes is
32 repealed and the following is substituted in lieu thereof (*Effective from*
33 *passage*):

34 (c) Each public service company, certified telecommunications
35 provider and electric supplier shall pay interest on any security
36 deposit it receives from a customer at the average rate paid, as of
37 December 30, 1992, on savings deposits by insured commercial banks
38 as published in the Federal Reserve Board bulletin and rounded to the
39 nearest one-tenth of one percentage point, except in no event shall the
40 rate be less than one and one-half per cent. On and after January 1,
41 1994, the rate for each calendar year shall be not less than the deposit
42 index as defined and determined by the Banking Commissioner in
43 subsection (d) of this section, for that year and rounded to the nearest
44 one-tenth of one percentage point, except in no event shall the rate be
45 less than one and one-half per cent.

46 Sec. 4. Subsection (c) of section 16-8a of the general statutes is

47 repealed and the following is substituted in lieu thereof (*Effective from*
48 *passage*):

49 (c) (1) Not more than [thirty] ninety business days after receipt of a
50 written complaint, in a form prescribed by the department, by an
51 employee alleging the employee's employer has retaliated against an
52 employee in violation of subsection (a) of this section, the department
53 shall make a preliminary finding in accordance with this subsection.

54 (2) Not more than five business days after receiving a written
55 complaint, in a form prescribed by the department, the department
56 shall notify the employer by certified mail. Such notification shall
57 include a description of the nature of the charges and the substance of
58 any relevant supporting evidence. The employer may submit a written
59 response and both the employer and the employee may present
60 rebuttal statements in the form of affidavits from witnesses and
61 supporting documents and may meet with the department informally
62 to respond verbally about the nature of the employee's charges. The
63 department shall consider in making its preliminary finding as
64 provided in subdivision (3) of this subsection any such written and
65 verbal responses, including affidavits and supporting documents,
66 received by the department not more than twenty business days after
67 the employer receives such notice. Any such response received after
68 twenty business days shall be considered by the department only upon
69 a showing of good cause and at the discretion of the department. The
70 department shall make its preliminary finding as provided in
71 subdivision (3) of this subsection based on information described in
72 this subdivision, without a public hearing.

73 (3) Unless the department finds by clear and convincing evidence
74 that the adverse employment action was taken for a reason
75 unconnected with the employee's report of substantial misfeasance,
76 malfeasance or nonfeasance, there shall be a rebuttable presumption
77 that an employee was retaliated against in violation of subsection (a) of
78 this section if the department finds that: (A) The employee had
79 reported substantial misfeasance, malfeasance or nonfeasance in the

80 management of the public service company, holding company or
81 licensee; (B) the employee was subsequently discharged, suspended,
82 demoted or otherwise penalized by having the employee's status of
83 employment changed by the employee's employer; and (C) the
84 subsequent discharge, suspension, demotion or other penalty followed
85 the employee's report closely in time.

86 (4) If such findings are made, the department shall issue an order
87 requiring the employer to immediately return the employee to the
88 employee's previous position of employment or an equivalent position
89 pending the completion of the department's full investigatory
90 proceeding pursuant to subsection (d) of this section.

91 Sec. 5. Subdivision (1) of subsection (b) of section 16-262c of the
92 general statutes is repealed and the following is substituted in lieu
93 thereof (*Effective from passage*):

94 (b) (1) From November first to May first, inclusive, no electric or
95 electric distribution company, as defined in section 16-1, as amended
96 by this act, no electric supplier and no municipal utility furnishing
97 electricity shall terminate, deny or refuse to reinstate residential
98 electric service in hardship cases where the customer lacks the
99 financial resources to pay his or her entire account. From November
100 first to May first, inclusive, no gas company and no municipal utility
101 furnishing gas shall terminate or refuse to reinstate residential gas
102 service in hardship cases where the customer uses such gas for heat
103 and lacks the financial resources to pay his or her entire account,
104 except a gas company that, between May second and October thirty-
105 first, terminated gas service to a residential customer who uses gas for
106 heat and who, during the previous period of November first to May
107 first, had gas service maintained because of hardship status, may
108 refuse to reinstate the gas service from November first to May first,
109 inclusive, only if the customer has failed to pay, since the preceding
110 November first, the lesser of: (A) Twenty per cent of the outstanding
111 principal balance owed the gas company as of the date of termination,
112 (B) one hundred dollars, or (C) the minimum payments due under the

113 customer's amortization agreement. Notwithstanding any other
114 provision of the general statutes to the contrary, no electric, electric
115 distribution or gas company, no electric supplier and no municipal
116 utility furnishing electricity or gas shall terminate or refuse to reinstate
117 residential electric or gas service where the customer lacks the financial
118 resources to pay his or her entire account and for which customer or a
119 member of the customer's household the termination or failure to
120 reinstate such service would create a life-threatening situation.

121 Sec. 6. Subsection (a) of section 16-19 of the general statutes is
122 repealed and the following is substituted in lieu thereof (*Effective from*
123 *passage*):

124 (a) No public service company may charge rates in excess of those
125 previously approved by the authority or the Department of Public
126 Utility Control except that any rate approved by the Public Utilities
127 Commission or the authority shall be permitted until amended by the
128 authority or the department, that rates not approved by the authority
129 or the department may be charged pursuant to subsection (b) of this
130 section, and that the hearing requirements with respect to adjustment
131 clauses are as set forth in section 16-19b. Each public service company
132 shall file any proposed amendment of its existing rates with the
133 department in such form and in accordance with such reasonable
134 regulations as the department may prescribe. Each electric, electric
135 distribution, gas or telephone company filing a proposed amendment
136 shall also file with the department an estimate of the effects of the
137 amendment, for various levels of consumption, on the household
138 budgets of high and moderate income customers and customers
139 having household incomes not more than one hundred fifty per cent of
140 the federal poverty level. Each electric and electric distribution
141 company shall also file such an estimate for space heating customers.
142 Each water company, except a water company that provides water to
143 its customers less than six consecutive months in a calendar year, filing
144 a proposed amendment, shall also file with the department a plan for
145 promoting water conservation by customers in such form and in
146 accordance with a memorandum of understanding entered into by the

147 department pursuant to section 4-67e. Each public service company
148 shall notify each customer who would be affected by the proposed
149 amendment, by mail, at least one week prior to the public hearing
150 thereon but no earlier than four weeks prior to the start of the public
151 hearing, that an amendment has been or will be requested. Such notice
152 shall also indicate (1) the [Department of Public Utility Control] date,
153 time and location of each scheduled public hearing, (2) that customers
154 may provide comments regarding the proposed rate request by
155 writing to the Department of Public Utility Control or by appearing in
156 person at one of the scheduled public hearings, (3) the department's
157 telephone number for obtaining information concerning the schedule
158 for public hearings on the proposed amendment, and [(2)] (4) whether
159 the proposed amendment would, in the company's best estimate,
160 increase any rate or charge by twenty per cent or more, and, if so,
161 describe in general terms any such rate or charge and the amount of
162 the proposed increase, provided no such company shall be required to
163 provide more than one form of the notice to each class of its customers.
164 In the case of a proposed amendment to the rates of any public service
165 company, the department shall hold a public hearing thereon, except
166 as permitted with respect to interim rate amendments by subsection
167 (d) and subsection (g) of this section, and shall make such investigation
168 of such proposed amendment of rates as is necessary to determine
169 whether such rates conform to the principles and guidelines set forth
170 in section 16-19e, or are unreasonably discriminatory or more or less
171 than just, reasonable and adequate, or that the service furnished by
172 such company is inadequate to or in excess of public necessity and
173 convenience. The department, if in its opinion such action appears
174 necessary or suitable in the public interest may, and, upon written
175 petition or complaint of the state, under direction of the Governor,
176 shall, make the aforesaid investigation of any such proposed
177 amendment which does not involve an alteration in rates. If the
178 department finds any proposed amendment of rates to not conform to
179 the principles and guidelines set forth in section 16-19e, or to be
180 unreasonably discriminatory or more or less than just, reasonable and
181 adequate to enable such company to provide properly for the public

182 convenience, necessity and welfare, or the service to be inadequate or
183 excessive, it shall determine and prescribe, as appropriate, an adequate
184 service to be furnished or just and reasonable maximum rates and
185 charges to be made by such company. In the case of a proposed
186 amendment filed by an electric, electric distribution, gas or telephone
187 company, the department shall also adjust the estimate filed under this
188 subsection of the effects of the amendment on the household budgets
189 of the company's customers, in accordance with the rates and charges
190 approved by the department. The department shall issue a final
191 decision on each rate filing within one hundred fifty days from the
192 proposed effective date thereof, provided it may, before the end of
193 such period and upon notifying all parties and intervenors to the
194 proceedings, extend the period by thirty days.

195 Sec. 7. Subdivision (30) of subsection (a) of section 16-1 of the
196 general statutes is repealed and the following is substituted in lieu
197 thereof (*Effective from passage*):

198 (30) "Electric supplier" means any person [, including an electric
199 aggregator] or participating municipal electric utility that is licensed
200 by the Department of Public Utility Control in accordance with section
201 16-245, [that] as amended by this act, and provides electric generation
202 services to end use customers in the state using the transmission or
203 distribution facilities of an electric distribution company, regardless of
204 whether or not such person takes title to such generation services, but
205 does not include: (A) A municipal electric utility established under
206 chapter 101, other than a participating municipal electric utility; (B) a
207 municipal electric energy cooperative established under chapter 101a;
208 (C) an electric cooperative established under chapter 597; (D) any other
209 electric utility owned, leased, maintained, operated, managed or
210 controlled by any unit of local government under any general statute
211 or special act; or (E) an electric distribution company in its provision of
212 electric generation services in accordance with subsection (a) or, prior
213 to January 1, 2004, subsection (c) of section 16-244c.

214 Sec. 8. Subdivision (31) of subsection (a) of section 16-1 of the

215 general statutes is repealed and the following is substituted in lieu
216 thereof (*Effective from passage*):

217 (31) "Electric aggregator" means [(A) a person, municipality or
218 regional water authority that] any person, municipality or regional
219 water authority or the Connecticut Resource Recovery Authority, if
220 such entity gathers together electric customers for the purpose of
221 negotiating the purchase of electric generation services from an electric
222 supplier, [or (B) the Connecticut Resources Recovery Authority, if it
223 gathers together electric customers for the purpose of negotiating the
224 purchase of electric generation services from an electric supplier,]
225 provided such [person, municipality or authority] entity is not
226 engaged in the purchase or resale of electric generation services, and
227 provided further such customers contract for electric generation
228 services directly with an electric supplier, and may include an electric
229 cooperative established pursuant to chapter 597.

230 Sec. 9. Subsection (a) of section 16-1 of the general statutes is
231 amended by adding subdivision (51) as follows (*Effective from passage*):

232 (NEW) (51) "Electric broker" means any person, municipality or
233 regional water authority or the Connecticut Resources Recovery
234 Authority, if such entity arranges or acts as an agent, negotiator or
235 intermediary in the sale or purchase of electric generation services
236 between any end-use customer in the state and any electric supplier,
237 but does not take title to any of the generation services sold, provided
238 (A) such entity is not engaged in the purchase and resale of electric
239 generation services, and (B) such customer contracts for electric
240 generation services directly with an electric supplier, and may include
241 an electric cooperative established pursuant to chapter 597.

242 Sec. 10. Subsection (l) of section 16-245 of the general statutes is
243 repealed and the following is substituted in lieu thereof (*Effective from*
244 *passage*):

245 (l) (1) An electric aggregator or electric broker shall not be subject to
246 the provisions of subsections (a) to (k), inclusive, of this section.

247 (2) No electric aggregator or electric broker shall arrange or
248 negotiate a contract for the purchase of electric generation services
249 from an electric supplier unless such aggregator or electric broker has
250 [(A)] obtained a certificate of registration from the Department of
251 Public Utility Control in accordance with this subsection. [, or (B) in the
252 case of a municipality, regional water authority and the Connecticut
253 Resources Recovery Authority, registered in accordance with section
254 16-245b.] An electric aggregator that was licensed pursuant to this
255 section prior to July 1, 2003, shall receive a certificate of registration on
256 July 1, 2003. An entity that has been issued an electric supplier license
257 by the Department of Public Utility Control pursuant to subsections (a)
258 to (k), inclusive, of this section may act as an electric aggregator or
259 electric broker without having to obtain a certificate of registration in
260 accordance with this subsection.

261 (3) An application for a certificate of registration shall be filed with
262 the department, accompanied by a fee as determined by the
263 department. The application shall contain such information as the
264 department may deem relevant, including, but not limited to, the
265 following: (A) The address of the applicant's headquarters and the
266 articles of incorporation, if applicable, as filed with the state in which
267 the applicant is incorporated; (B) the address of the applicant's
268 principal office in the state, if any, or the address of the applicant's
269 agent for service in the state; (C) the toll-free or in-state telephone
270 number of the applicant; (D) information about the applicant's
271 corporate structure, if applicable, including [financial names and
272 financial statements, as relevant, concerning] names and background
273 information of corporate affiliates; (E) disclosure of whether the
274 applicant or any of the applicant's corporate affiliates or officers, if
275 applicable, have been or are currently under investigation for violation
276 of any consumer protection law or regulation to which it is subject,
277 either in this state or in another state. Each registered electric
278 aggregator or electric broker shall update the information contained in
279 this subdivision as necessary.

280 (4) Not more than thirty days after receiving an application for a

281 certificate of registration, the department shall notify the applicant
282 whether the application is complete or whether the applicant must
283 submit additional information. The department shall grant or deny the
284 application for a certificate of registration not more than ninety days
285 after receiving all information required of an applicant. The
286 department shall hold a public hearing on an application upon the
287 request of any interested party.

288 (5) As a condition for maintaining a certificate of registration, the
289 registered electric aggregator or electric broker shall ensure that, where
290 applicable, it complies with the National Labor Relations Act and
291 regulations, if applicable, and it complies with the Connecticut Unfair
292 Trade Practices Act and applicable regulations.

293 (6) Any registered electric aggregator or electric broker that fails to
294 comply with a registration condition or violates any provision of this
295 section shall be subject to civil penalties by the Department of Public
296 Utility Control in accordance with the procedures contained in section
297 16-41, or the suspension or revocation of such registration, or a
298 prohibition on accepting new customers following a hearing that is
299 conducted as a contested case in accordance with the provisions of
300 chapter 54.

301 Sec. 11. Section 16-245b of the general statutes is repealed and the
302 following is substituted in lieu thereof (*Effective from passage*):

303 Notwithstanding the provisions of subsection (a) of section 16-245,
304 the provisions of said section shall not apply to (1) any municipality or
305 regional water authority that aggregates or brokers the sale of electric
306 generation services, or to the Connecticut Resources Recovery
307 Authority if such authority aggregates or brokers the sale of electric
308 generation services, for end use customers located within the
309 boundaries of such municipality or regional water authority, (2) any
310 municipality that joins together with other municipalities to aggregate
311 or broker the sale of electric generation services for end use customers
312 located within the boundaries of such municipalities, or (3) any
313 municipality or regional water authority that aggregates or brokers the

314 purchase of electric generation services for municipal facilities, street
315 lighting, boards of education and other publicly-owned facilities
316 within (A) the municipality for which the municipality is financially
317 responsible, or (B) the municipalities that are within the authorized
318 service area of the regional water authority. Any municipality or
319 regional water authority that aggregates or brokers in accordance with
320 this section shall register not less than annually with the Department
321 of Public Utility Control on a form prescribed by the department.

322 Sec. 12. Subsection (b) of section 16-245p of the general statutes is
323 repealed and the following is substituted in lieu thereof (*Effective from*
324 *passage*):

325 (b) The Department of Public Utility Control shall maintain and
326 make available to customers upon request, a list of electric aggregators
327 and electric brokers and the following information about each electric
328 supplier and each electric distribution company providing standard
329 service or back-up electric generation service, pursuant to section 16-
330 244c: (1) Rates and charges; (2) applicable terms and conditions of a
331 contract for electric generation services; (3) the percentage of the total
332 electric output derived from each of the categories of energy sources
333 provided in subsection (e) of section 16-244d, the total emission rates
334 of nitrogen oxides, sulfur oxides, carbon dioxide, carbon monoxide,
335 particulates, heavy metals and other wastes the disposal of which is
336 regulated under state or federal law at the facilities operated by or
337 under long-term contract to the electric supplier or providing electric
338 generation services to an electric distribution company providing
339 standard service or back-up electric generation service, pursuant to
340 section 16-244c, and the analysis of the environmental characteristics of
341 each such category of energy source prepared pursuant to subsection
342 (e) of [said] section 16-244d and to the extent such information is
343 unknown, the estimated percentage of the total electric output for
344 which such information is unknown, along with the word "unknown"
345 for that percentage; (4) a record of customer complaints and the
346 disposition of each complaint; and (5) any other information the
347 department determines will assist customers in making informed

348 decisions when choosing an electric supplier. The department shall
349 make available to customers the information filed pursuant to
350 subsection (a) of this section not later than thirty days after its receipt.
351 The department shall put such information in a standard format so
352 that a customer can readily understand and compare the services
353 provided by each electric supplier.

354 Sec. 13. Subdivision (19) of subsection (a) of section 22a-266 of the
355 general statutes is repealed and the following is substituted in lieu
356 thereof (*Effective from passage*):

357 (19) Act as an electric supplier, [or] an electric aggregator or an
358 electric broker pursuant to public act 98-28* provided any net revenue
359 to the authority from activities, contracts, products or processes
360 undertaken pursuant to this subdivision, after payment of principal
361 and interest on bonds and repayment of any loans or notes of the
362 authority, shall be distributed so as to reduce the costs of other
363 authority services to the users thereof on a pro rata basis proportionate
364 to costs paid by such users. In acting as an electric supplier, [or an]
365 electric aggregator or electric broker pursuant to any license granted
366 by the Department of Public Utility Control, the authority may enter
367 into contracts for the purchase and sale of electricity and electric
368 generation services, provided such contracts are solely for the
369 purposes of ensuring the provision of safe and reliable electric service
370 and protecting the position of the authority with respect to capacity
371 and price.

372 Sec. 14. Subsection (c) of section 7-148ee of the general statutes is
373 repealed and the following is substituted in lieu thereof (*Effective from*
374 *passage*):

375 (c) No corporation established pursuant to subsection (a) of this
376 section shall engage in the manufacture, distribution, purchase or sale,
377 or any combination thereof, of electricity, gas or water outside the
378 service area of such municipal electric or gas utility or within its
379 service area if it encroaches upon the service area or franchise area of
380 another water or gas utility. Nothing in this section shall be construed

381 to permit any municipal electric utility to engage in the sale, [or]
382 aggregation or brokering of electric generation services other than
383 pursuant to section 16-245, as amended by this act.

384 Sec. 15. Subsection (b) of section 33-219 of the general statutes is
385 repealed and the following is substituted in lieu thereof (*Effective from*
386 *passage*):

387 (b) Notwithstanding the provisions of subsection (a) of this section,
388 cooperative, nonprofit, membership corporations may be organized
389 under this chapter for the purpose of generating electric energy by
390 means of cogeneration technology, renewable energy resources or both
391 and supplying it to any member or supplying it to, purchasing it from
392 or exchanging it with a public service company, electric supplier, [as
393 defined in section 16-1,] municipal aggregator, [as defined in said
394 section] electric broker, municipal utility or municipal electric energy
395 cooperative, all as defined in section 16-1, as amended by this act, in
396 accordance with an agreement with the company, electric supplier,
397 electric aggregator, electric broker, municipal utility or cooperative. No
398 membership corporation under this subsection may exercise those
399 powers contained in subsection (i) or (j) of section 33-221 unless the
400 prior approval of the Department of Public Utility Control is obtained,
401 after opportunity for hearing in accordance with title 16 and chapter
402 54. Any cooperative organized on or after July 1, 1998, pursuant to this
403 subsection shall collect from its members the competitive transition
404 assessment levied pursuant to section 16-245g and the systems benefits
405 charge levied pursuant to section 16-245l in such manner and at such
406 rate as the Department of Public Utility Control prescribes, provided
407 the department shall order the collection of said assessment and said
408 charge in a manner and rate equal to that to which the members of the
409 cooperative would have been subject had the cooperative not been
410 organized.

411 Sec. 16. Subsection (f) of section 16-2 of the general statutes is
412 repealed and the following is substituted in lieu thereof (*Effective from*
413 *passage*):

414 (f) (1) The chairperson of the authority, with the consent of two or
415 more other members of the authority, shall appoint an executive
416 director, who shall be the chief administrative officer of the
417 Department of Public Utility Control. The executive director shall be
418 supervised by the chairperson of the authority, serve for a term of four
419 years and annually receive a salary equal to that established for
420 management pay plan salary group seventy-two by the Commissioner
421 of Administrative Services. The executive director ~~[(1)]~~ (A) shall
422 conduct comprehensive planning with respect to the functions of the
423 department; ~~[(2)]~~ (B) shall coordinate the activities of the department;
424 ~~[(3)]~~ (C) shall cause the administrative organization of the department
425 to be examined with a view to promoting economy and efficiency; ~~[(4)]~~
426 (D) shall, in concurrence with the chairperson of the authority,
427 organize the department into such divisions, bureaus or other units as
428 he deems necessary for the efficient conduct of the business of the
429 department and may from time to time abolish, transfer or consolidate
430 within the department, any division, bureau or other units as may be
431 necessary for the efficient conduct of the business of the department,
432 provided such organization shall include any division, bureau or other
433 unit which is specifically required by the general statutes; ~~[(5)]~~ (E)
434 shall, for any proceeding on a proposed rate amendment in which staff
435 of the department are to be made a party pursuant to section 16-19j,
436 determine which staff shall appear and participate in the proceedings
437 and which shall serve the members of the authority; ~~[(6)]~~ (F) may enter
438 into such contractual agreements, in accordance with established
439 procedures, as may be necessary for the discharge of his duties; and
440 ~~[(7)]~~ (G) may, subject to the provisions of section 4-32, and unless
441 otherwise provided by law, receive any money, revenue or services
442 from the federal government, corporations, associations or individuals,
443 including payments from the sale of printed matter or any other
444 material or services. The executive director shall require the staff of the
445 department to have expertise in public utility engineering and
446 accounting, finance, economics, computers and rate design. Subject to
447 the provisions of chapter 67 and within available funds in any fiscal
448 year, the executive director may appoint a secretary, and may employ

449 such accountants, clerical assistants, engineers, inspectors, experts,
450 consultants and agents as the department may require.

451 (2) The chairperson may appoint a designee to serve on behalf of the
452 department as a member of a board or council created to facilitate state
453 or regional initiatives with respect to matters affecting the public
454 interest in connection with utility regulation and services, including,
455 but not limited to, issues on climate change, the reduction of
456 greenhouse gas emissions, regional planning and low-income energy
457 assistance.

458 Sec. 17. Section 16-243u of the general statutes is repealed and the
459 following is substituted in lieu thereof (*Effective from passage*):

460 From January 1, 2008, until February 1, 2008, any person may, and
461 an electric distribution company shall, submit a plan to build peaking
462 generation, or the electric distribution companies may submit a joint
463 ownership plan to build peaking generation, to be heard in a contested
464 case proceeding before the Department of Public Utility Control. An
465 electric distribution company's plan shall include its full projected
466 costs and shall demonstrate to the department that it is not supported
467 in any form of cross subsidization by affiliated entities. Any plan
468 approved by the department shall (1) include a requirement that the
469 owner of the peaking generation is compensated at cost of service plus
470 reasonable rate of return as determined by the department, and (2)
471 require that such peaking generation facility is operated at such times
472 and such capacity so as to reduce overall electricity rates for
473 consumers. The department may retain a consultant to help determine
474 if projected costs included in the plan are good faith preliminary
475 estimates and may require modification of the plan as necessary to
476 protect the best interests of ratepayers. Not later than one hundred
477 twenty days after the plan is submitted, the department shall approve
478 the plan unless it demonstrates in detail, pursuant to section 16-19e,
479 that such plan is not in the best interests of ratepayers. The department
480 shall request that any person submitting a plan to submit further
481 information it deems to be in the public interest that the department

482 shall use in evaluating the proposal. Such person shall only recover the
 483 just and reasonable costs of construction of the facility and, in an
 484 annual retail generation rate [contested] uncontested case, shall be
 485 entitled to recover its prudently incurred costs of such project,
 486 including, but not limited to, capital costs, operation and maintenance
 487 expenses, depreciation, fuel costs, taxes and other governmental
 488 charges and a reasonable rate of return on equity. The department
 489 shall review such recovery of costs consistent with the principles set
 490 forth in sections 16-19, 16-19b and 16-19e, provided the return on
 491 equity associated with such project shall be established in the initial
 492 annual [contested] uncontested case proceeding under this subsection
 493 and updated at least once every four years. A person operating a
 494 peaking generation unit pursuant to this section shall bid the unit into
 495 all regional independent system operator markets, including the
 496 energy market, capacity market or forward reserve market, using cost-
 497 of-service principles and pursuant to guidelines established by the
 498 department each year in the annual retail generation rate case
 499 pursuant to this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-18a
Sec. 2	<i>from passage</i>	16-35
Sec. 3	<i>from passage</i>	16-262j(c)
Sec. 4	<i>from passage</i>	16-8a(c)
Sec. 5	<i>from passage</i>	16-262c(b)(1)
Sec. 6	<i>from passage</i>	16-19(a)
Sec. 7	<i>from passage</i>	16-1(a)(30)
Sec. 8	<i>from passage</i>	16-1(a)(31)
Sec. 9	<i>from passage</i>	16-1(a)
Sec. 10	<i>from passage</i>	16-245(l)
Sec. 11	<i>from passage</i>	16-245b
Sec. 12	<i>from passage</i>	16-245p(b)
Sec. 13	<i>from passage</i>	22a-266(a)(19)
Sec. 14	<i>from passage</i>	7-148ee(c)
Sec. 15	<i>from passage</i>	33-219(b)
Sec. 16	<i>from passage</i>	16-2(f)

Sec. 17	from passage	16-243u
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Statement of Legislative Commissioners:

In section 16, subdivisions were renumbered as subparagraphs for statutory consistency and section 16-243u was added to the bill as section 17 to conform with section 2 of the bill, which was rephrased for clarity.

ET *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:** None**Municipal Impact:** None**Explanation**

This bill makes revisions to utility statutes that is not anticipated to result in a fiscal impact. It requires electric brokers to register with the Department of Public Utility Control (DPUC) and allows DPUC to retain consultants to help in proceedings before federal agencies. The cost of the consultants will be paid for by the utility companies whom the proceeding involves. It also expands public notice requirements for proposed rate changes, bars electric utilities from denying service during the heating season for hardship customers who cannot pay their bills, and makes various other revisions.

The Out Years**State Impact:** None**Municipal Impact:** None

OLR Bill Analysis**sHB 6302*****AN ACT CONCERNING REVISIONS TO THE UTILITY STATUTES.*****SUMMARY:**

This bill requires electric brokers to register with Department of Public Utility Control (DPUC). "Electric brokers" are entities that arrange for the sale or purchase of power but do not take title to the power. The bill requires DPUC to maintain a publicly available list of brokers and makes related changes. It makes a minor change in the registration requirements for aggregators (entities that gather customers together to negotiate the purchase of electricity from competitive electric suppliers).

The bill allows licensed electric suppliers to act as brokers or aggregators without having to get a registration and makes minor related changes.

The bill allows DPUC to retain consultants to help in proceedings before federal agencies. The affected DPUC-regulated company bears the costs of the consultants.

The bill also:

1. expands public notice requirements for proposed rate changes;
2. bars electric utilities from denying service during the heating season for hardship customers who cannot pay their bills;
3. requires that when DPUC issues requests for proposals and other procurements of electricity, it do so in an uncontested case (many DPUC proceedings, notably rate cases, are conducted as contested cases which are quasi-judicial in nature);

4. requires the banking commissioner to set the index used to determine the interest rate to be paid on the security deposits paid to utilities, competitive telecommunications providers, and competitive electric suppliers;
5. gives DPUC 90, rather than 30, business days to issue a preliminary finding after receiving a complaint of retaliation against an employee for making a whistle-blowing complaint about a utility or a related company; and
6. allows the DPUC chairperson to name a designee to participate on various state and regional committees dealing with issues such as utility regulation, climate change, and low-income energy assistance.

EFFECTIVE DATE: Upon passage

ELECTRIC BROKERS AND AGGREGATORS

The bill requires electric brokers to register with DPUC. It defines an electric broker as a person, municipality, regional water authority, or the Connecticut Resources Recovery Authority (CRRA), if the entity arranges or acts as an agent, negotiator, or intermediary in buying or selling electric power between an end use customer and a supplier, but does not take title to any of the power. To be considered a broker, (1) the entity cannot be engaged in the actual purchase and resale of power and (2) the customer must contract for power directly with an electric supplier.

The bill requires brokers to register with DPUC under the same conditions as electric aggregators. The registration requirement does not apply to municipalities, regional water authorities, or CRRA acting as a broker under certain conditions, such as brokering power sales for customers in their boundaries.

Among other things, an applicant for a registration must provide DPUC with information on its corporate structure and disclose whether it or its affiliates or officers have been or are under

investigation for violations of consumer protection laws. The bill requires brokers to comply with the Connecticut Unfair Trade Practices Act and the National Labor Relations Act as a condition of maintaining registration, as is currently the case for aggregators. It subjects brokers that fail to comply with registration conditions or violate applicable laws to civil penalties, registration suspension or revocation, or prohibition on accepting new customers, imposed in a contested proceeding, as is currently the case for aggregators.

By law, a registration application for electric aggregators must contain information about the applicant's corporate structure. The bill requires that this information for both aggregators and brokers include the names and background information on corporate affiliates, rather than the financial names and statements of these affiliates.

The bill allows nonprofit electric cooperatives to supply power to and transact other business with electric brokers and makes other minor changes.

NOTICE OF RATE CASES

By law, utilities must mail their customers notice of a proposed rate change at least one week before DPUC holds a hearing on the proposal. The bill additionally requires that this notice be sent no more than four weeks before the hearing. In addition to the information already required to be in the notice, the bill requires that the notice include (1) the date, time, and location of the hearing and (2) a statement that customers can provide written comments to DPUC on the proposal or appear at the hearing.

DENIAL OF SERVICE DURING THE HEATING SEASON

By law, electric companies and municipal electric utilities cannot terminate or refuse to reinstate residential electric service to “hardship cases” from November 1 to May 1. The bill additionally bars the utilities from denying service to such customer during this period. By law, hardship customers include those on public assistance; those whose only source of income is social security, veterans, or

unemployment benefits; and those with a sick member of their household.

CONSULTANTS

The bill allows DPUC to retain consultants to assist its staff in federal proceedings by providing expertise in (1) areas in which it does not have staff expertise or (2) to supplement DPUC’s staff expertise. The provision applies to proceedings before the Federal Energy Regulatory Commission, Department of Energy, Nuclear Regulatory Commission, the Securities and Exchange Commission, the Federal Trade Commission, the Department of Justice, and the Federal Communications Commission.

The affected company regulated by DPUC must bear the reasonable and proper expenses of the consultants and pay the costs when and how DPUC directs. The expenses must be apportioned among the affected companies in proportion to their revenue, as reported to DPUC when it assesses its administrative costs among the companies it regulates. The costs cannot exceed \$250,000 per proceeding, including any appeals, in any calendar year unless DPUC finds good cause for exceeding the limit. DPUC must allow the affected entities to recover these costs in rate cases, if applicable. (DPUC does not conduct rate cases for certain types of companies.)

DPUC has similar authority under current law to retain consultants in connection with its own proceedings.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute
Yea 20 Nay 0 (02/26/2009)