



# House of Representatives

General Assembly

**File No. 494**

January Session, 2009

Substitute House Bill No. 6631

*House of Representatives, April 6, 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 ELECTRIC UTILITIES AND UTILITY TERMINATIONS.**

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

1 Section 1. Subsection (b) of section 16a-3a of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (b) On or before January 1, 2008, and [annually] biennially  
5 thereafter, the companies shall submit to the Connecticut Energy  
6 Advisory Board an assessment of (1) the energy and capacity  
7 requirements of customers for the next three, five and ten years, (2) the  
8 manner of how best to eliminate growth in electric demand, (3) how  
9 best to level electric demand in the state by reducing peak demand and  
10 shifting demand to off-peak periods, (4) the impact of current and  
11 projected environmental standards, including, but not limited to, those  
12 related to greenhouse gas emissions and the federal Clean Air Act  
13 goals and how different resources could help achieve those standards

14 and goals, (5) energy security and economic risks associated with  
15 potential energy resources, and (6) the estimated lifetime cost and  
16 availability of potential energy resources.

17 Sec. 2. (NEW) (*Effective July 1, 2009*) (a) A person seeking to  
18 terminate electric, gas, telecommunications or water service to a  
19 residential dwelling shall provide to the electric distribution, gas,  
20 telecommunications or water company, electric supplier or municipal  
21 utility providing such service either (1) identification, as defined in  
22 section 16-49e of the general statutes, (2) the password previously  
23 provided by the customer of record for such service, (3) the customer  
24 code provided by the company, supplier or utility, or (4) other  
25 reasonable identification established by the company, supplier or  
26 utility sufficient to establish that the person authorizing the  
27 termination is the customer of record or the customer's authorized  
28 representative. Such company, supplier or utility shall not terminate  
29 service if the person does not provide such reasonable identification.

30 (b) If a person or entity, other than a customer of record or the  
31 customer's authorized representative, seeks to terminate electric, gas,  
32 water or telecommunications service to a residential dwelling, the  
33 company, supplier or utility service shall not terminate service unless,  
34 nine or more days prior to the requested termination date, the  
35 company, utility or supplier sends a notification letter to the customer  
36 of record at the customer's last-known address.

37 (c) Notwithstanding the requirements of this section, an electric,  
38 gas, telecommunications or water company, electric supplier or  
39 municipal utility may terminate service at any time (1) upon request of  
40 a state or local fire or police authority, (2) upon determination by the  
41 company, supplier or utility that failure to terminate the service may  
42 adversely impact safety or the public health, or (3) upon the  
43 company's, supplier's or utility's compliance with applicable statutes  
44 or Department of Public Utility Control regulations governing  
45 termination of service not requested by the customer or the customer's  
46 authorized representative.

47 Sec. 3. Section 16-262e of the general statutes is repealed and the  
48 following is substituted in lieu thereof (*Effective July 1, 2009*):

49 (a) Notwithstanding the provisions of section 16-262d, wherever an  
50 owner, agent, lessor or manager of a residential dwelling is billed  
51 directly by an electric, electric distribution, gas, telephone or water  
52 company or by a municipal utility for utility service furnished to such  
53 building not occupied exclusively by such owner, agent, lessor, or  
54 manager, and such company or municipal utility or the electric  
55 supplier providing electric generation services has actual or  
56 constructive knowledge that the occupants of such dwelling are not  
57 the individuals to whom the company or municipal utility usually  
58 sends its bills, such company, electric supplier or municipal utility  
59 shall not terminate such service for nonpayment of a delinquent  
60 account owed to such company, electric supplier or municipal utility  
61 by such owner, agent, lessor or manager unless: (1) Such company,  
62 electric supplier or municipal utility makes a good faith effort to notify  
63 the occupants of such building of the proposed termination by the  
64 means most practicable under the circumstances and best designed to  
65 provide actual notice; and (2) such company, electric supplier or  
66 municipal utility provides an opportunity, where practicable, for such  
67 occupants to receive service in their own names without any liability  
68 for the amount due while service was billed directly to the lessor,  
69 owner, agent or manager and without the necessity for a security  
70 deposit; provided, if it is not practicable for such occupants to receive  
71 service in their own names, the company, electric supplier or  
72 municipal utility shall not terminate service to such residential  
73 dwelling but may pursue the remedy provided in section 16-262f.

74 (b) Whenever a company, electric supplier or municipal utility has  
75 terminated service to a residential dwelling whose occupants are not  
76 the individuals to whom it usually sends its bills, such company,  
77 electric supplier or municipal utility shall, upon obtaining knowledge  
78 of such occupancy, immediately reinstate service and thereafter not  
79 effect termination unless it first complies with the provisions of  
80 subsection (a) of this section.

81 (c) The owner, agent, lessor or manager of a residential dwelling  
82 shall be liable for the costs of all electricity, gas, water or heating fuel  
83 furnished by a public service company, electric supplier, municipal  
84 utility or heating fuel dealer to the building, except for any service  
85 furnished to any dwelling unit of the building on an individually  
86 metered or billed basis for the exclusive use of the occupants of that  
87 dwelling unit, provided an owner, agent, lessor or manager shall be  
88 liable for service furnished on an individually metered or billed basis  
89 pursuant to subsection (g) of this section from ten days after the date of  
90 written request by the company, supplier, utility or dealer if the  
91 company, supplier, utility or dealer is denied access to individual  
92 meters or other facilities on the premises of the building to which such  
93 owner, agent, lessor or manager controls access. If service is not  
94 provided on an individually metered or billed basis and the owner,  
95 agent, lessor or manager fails to pay for such service, any occupant  
96 who receives service in his own name may deduct, in accordance with  
97 the provisions of subsection (d) of this section, a reasonable estimate of  
98 the cost of any portion of such service which is for the use of occupants  
99 of dwelling units other than such occupant's dwelling unit.

100 (d) Any payments made by the occupants of any residential  
101 dwelling pursuant to subsection (a) or (c) of this section shall be  
102 deemed to be in lieu of an equal amount of rent or payment for use  
103 and occupancy and each occupant shall be permitted to deduct such  
104 amounts from any sum of rent or payment for use and occupancy due  
105 and owing or to become due and owing to the owner, agent, lessor or  
106 manager.

107 (e) Wherever a company, electric supplier or municipal utility  
108 provides service pursuant to subdivision (2) of subsection (a) of this  
109 section, the company, electric supplier or municipal utility shall notify  
110 each occupant of such building in writing that service will be provided  
111 in the occupant's own name. Such writing shall contain a conspicuous  
112 notice in boldface type stating,

113 "NOTICE TO OCCUPANT. YOU MAY DEDUCT THE FULL

114 AMOUNT YOU PAY (name of company or municipal utility) FOR  
115 (type of service) FROM THE MONEY YOU PAY YOUR LANDLORD  
116 OR HIS AGENT."

117 (f) The owner, agent, lessor or manager shall not increase the  
118 amount paid by such occupant for rent or for use and occupancy in  
119 order to collect all or part of that amount lawfully deducted by the  
120 occupant pursuant to this section.

121 (g) The owner, agent, lessor or manager of a residential dwelling  
122 shall be responsible for providing a public service company, electric  
123 supplier or municipal utility or heating fuel dealer access to its meter  
124 or other facilities located on the premises of the residential dwelling  
125 promptly upon written request of the public service company, electric  
126 supplier or municipal utility or heating fuel dealer during reasonable  
127 hours. If such owner, agent, lessor or manager fails to provide such  
128 access upon written request received by certified mail, the owner,  
129 agent, lessor or manager shall be liable for the costs incurred by the  
130 public service company, electric supplier or municipal utility or  
131 heating fuel dealer in gaining access to the meter and facilities,  
132 including costs of collection and attorney fees. If the failure to provide  
133 access delays the ability of the public service company, electric  
134 supplier or municipal utility or heating fuel dealer to terminate service  
135 to an individually metered or billed portion of the dwelling, the  
136 owner, agent, lessor or manager failing to provide access shall also be  
137 liable for the amounts billed by the public service company, electric  
138 supplier or municipal utility or heating fuel dealer for service provided  
139 to the individually metered or billed portion of the dwelling for the  
140 period beginning ten days after access has been requested and ending  
141 when access is provided by such owner, agent, lessor or manager.

142 [(g)] (h) Nothing in this section shall be construed to prevent the  
143 company, electric supplier, municipal utility, heating fuel dealer or  
144 occupant from pursuing any other action or remedy at law or equity  
145 that it may have against the owner, agent, lessor, or manager.

146 Sec. 4. (NEW) (Effective from passage) Notwithstanding any limitation

147 imposed by its charter, each domestic electric company, as defined in  
148 section 16-246a of the general statutes, is authorized and empowered  
149 to generate and transmit electric energy and to acquire utility facilities  
150 necessary or convenient for the purposes of its electric utility business  
151 or undivided interests therein, and to operate the same, anywhere  
152 within or without the state, provided nothing herein shall be construed  
153 to authorize such a company to sell electric energy in this state to any  
154 person or within any area, except as otherwise authorized by its  
155 charter or the general statutes. An electric distribution company may  
156 own or operate electric generation assets only as authorized by  
157 sections 16-43d, 16-243m and 16a-3c of the general statutes.

158 Sec. 5. Subsection (b) of section 16-244c of the general statutes is  
159 repealed and the following is substituted in lieu thereof (*Effective from*  
160 *passage*):

161 (b) (1) (A) On and after January 1, 2004, each electric distribution  
162 company shall make available to all customers in its service area, the  
163 provision of electric generation and distribution services through a  
164 transitional standard offer. Under the transitional standard offer, a  
165 customer shall receive electric services at a rate established by the  
166 Department of Public Utility Control pursuant to subdivision (2) of  
167 this subsection. Each electric distribution company shall provide  
168 electric generation services in accordance with such option to any  
169 customer who affirmatively chooses to receive electric generation  
170 services pursuant to the transitional standard offer or does not or is  
171 unable to arrange for or maintain electric generation services with an  
172 electric supplier. The transitional standard offer shall terminate on  
173 December 31, 2006. While providing electric generation services under  
174 the transitional standard offer, an electric distribution company may  
175 provide electric generation services through any of its generation  
176 entities or affiliates, provided such entities or affiliates are licensed  
177 pursuant to section 16-245.

178 (B) The department shall conduct a proceeding to determine  
179 whether a practical, effective, and cost-effective process exists under

180 which an electric customer, when initiating electric service, may  
181 receive information regarding selecting electric generating services  
182 from a qualified entity. The department shall complete such  
183 proceeding on or before December 1, 2005, and shall implement the  
184 resulting decision on or before March 1, 2006, or on such later date that  
185 the department considers appropriate. An electric distribution  
186 company's costs of participating in the proceeding and implementing  
187 the results of the department's decision shall be recoverable by the  
188 company as generation services costs through an adjustment  
189 mechanism as approved by the department.

190 (2) (A) Not later than December 15, 2003, the Department of Public  
191 Utility Control shall establish the transitional standard offer for each  
192 electric distribution company, effective January 1, 2004.

193 (B) The department shall hold a hearing that shall be conducted as a  
194 contested case in accordance with chapter 54 to establish the  
195 transitional standard offer. The transitional standard offer shall  
196 provide that the total rate charged under the transitional standard  
197 offer, including electric transmission and distribution services, the  
198 conservation and load management program charge described in  
199 section 16-245m, the renewable energy investment charge described in  
200 section 16-245n, electric generation services, the competitive transition  
201 assessment and the systems benefits charge, and excluding federally  
202 mandated congestion costs, shall not exceed the base rates, as defined  
203 in section 16-244a, in effect on December 31, 1996, excluding any rate  
204 reduction ordered by the department on September 26, 2002.

205 (C) (i) Each electric distribution company shall, on or before January  
206 1, 2004, file with the department an application for an amendment of  
207 rates pursuant to section 16-19, which application shall include a four-  
208 year plan for the provision of electric transmission and distribution  
209 services. The department shall conduct a contested case proceeding  
210 pursuant to sections 16-19 and 16-19e to approve, reject or modify the  
211 application and plan. Upon the approval of such plan, as filed or as  
212 modified by the department, the department shall order that such plan

213 shall establish the electric transmission and distribution services  
214 component of the transitional standard offer.

215 (ii) Notwithstanding the provisions of this subparagraph, an electric  
216 distribution company that, on or after September 1, 2002, completed a  
217 proceeding pursuant to sections 16-19 and 16-19e, shall not be required  
218 to file an application for an amendment of rates as required by this  
219 subparagraph. The department shall establish the electric transmission  
220 and distribution services component of the transitional standard offer  
221 for any such company equal to the electric transmission and  
222 distribution services component of the standard offer established  
223 pursuant to subsection (a) of this section in effect on July 1, 2003, for  
224 such company. If such electric distribution company applies to the  
225 department, pursuant to section 16-19, for an amendment of its rates  
226 on or before December 31, 2006, the application of the electric  
227 distribution company shall include a four-year plan.

228 (D) The transitional standard offer (i) shall be adjusted to the extent  
229 of any increase or decrease in state taxes attributable to sections 12-264  
230 and 12-265 and any other increase or decrease in state or federal taxes  
231 resulting from a change in state or federal law, (ii) shall be adjusted to  
232 provide for the cost of contracts under subdivision (2) of subsection (j)  
233 of this section and the administrative costs for the procurement of such  
234 contracts, and (iii) shall continue to be adjusted during such period  
235 pursuant to section 16-19b. Savings attributable to a reduction in taxes  
236 shall not be shifted between customer classes. Notwithstanding the  
237 provisions of section 16-19b, the provisions of section 16-19b shall  
238 apply to electric distribution companies.

239 (E) The transitional standard offer may be adjusted, by an increase  
240 or decrease, to the extent approved by the department, in the event  
241 that (i) the revenue requirements of the company are affected as the  
242 result of changes in (I) legislative enactments other than public act 03-  
243 135\* or public act 98-28\*, (II) administrative requirements, or (III)  
244 accounting standards adopted after July 1, 2003, provided such  
245 accounting standards are adopted by entities that are independent of

246 the company and have authority to issue such standards, or (ii) an  
247 electric distribution company incurs extraordinary and unanticipated  
248 expenses required for the provision of safe and reliable electric service  
249 to the extent necessary to provide such service.

250 (3) The price provided in subdivision (2) of this subsection shall not  
251 apply to customers who, on or after July 1, 2003, purchase electric  
252 services from an electric company or electric distribution company, as  
253 the case may be, under a special contract or flexible rate tariff,  
254 provided the company's filed transitional standard offer tariffs shall  
255 reflect that such customers shall not receive the transitional standard  
256 offer price during the term of said contract or tariff.

257 [(4) (A) In addition to its costs received pursuant to subsection (h) of  
258 this section, as compensation for providing transitional standard offer  
259 service, each electric distribution company shall receive an amount  
260 equal to five-tenths of one mill per kilowatt hour. Revenues from such  
261 compensation shall not be included in calculating the electric  
262 distribution company's earnings for purposes of, or in determining  
263 whether its rates are just and reasonable under, sections 16-19, 16-19a  
264 and 16-19e, including an earnings sharing mechanism. In addition,  
265 each electric distribution company may earn compensation for  
266 mitigating the prices of the contracts for the provision of electric  
267 generation services, as provided in subdivision (2) of this subsection.

268 (B) The department shall conduct a contested case proceeding  
269 pursuant to the provisions of chapter 54 to establish an incentive plan  
270 for the procurement of long-term contracts for transitional standard  
271 offer service by an electric distribution company. The incentive plan  
272 shall be based upon a comparison of the actual average firm full  
273 requirements service contract price for electricity obtained by the  
274 electric distribution company compared to the regional average firm  
275 full requirements service contract price for electricity, adjusted for such  
276 variables as the department deems appropriate, including, but not  
277 limited to, differences in locational marginal pricing. If the actual  
278 average firm full requirements service contract price obtained by the

279 electric distribution company is less than the actual regional average  
280 firm full requirements service contract price for the previous year, the  
281 department shall split five-tenths of one mill per kilowatt hour equally  
282 between ratepayers and the company. Revenues from such incentive  
283 plan shall not be included in calculating the electric distribution  
284 company's earnings for purposes of, or in determining whether its  
285 rates are just and reasonable under sections 16-19, 16-19a and 16-19e.  
286 The department may, as it deems necessary, retain a third party entity  
287 with expertise in energy procurement to assist with the development  
288 of such incentive plan.]

289 Sec. 6. Section 16-244k of the general statutes is repealed and the  
290 following is substituted in lieu thereof (*Effective from passage*):

291 The Department of Public Utility Control shall allocate the proceeds  
292 of the retail adder established by the department in its decision in  
293 docket number 99-03-36, dated October 1, 1999, or any similar  
294 subsequent retail adder established by the department pursuant to  
295 subsection (b) of section 16-244c, as amended by this act. [, for the  
296 mitigation of the costs associated with the compensation provided in  
297 subdivision (4) of subsection (b) of section 16-244c.] The department  
298 may use any remaining proceeds of a retail adder for the mitigation of  
299 the costs associated with the difference between the total rate charged  
300 under the standard offer pursuant to subsection (a) of section 16-244c  
301 and the total rate charged under the transitional standard offer  
302 pursuant to subsection (b) of section 16-244c, as amended by this act,  
303 and then for the accelerated payment of stranded costs established  
304 pursuant to section 16-245e.

305 Sec. 7. Subsection (a) of section 16-243n of the general statutes is  
306 repealed and the following is substituted in lieu thereof (*Effective from*  
307 *passage*):

308 (a) Not later than October 1, 2005, each electric distribution  
309 company, as defined in section 16-1, shall submit an application to the  
310 Department of Public Utility Control to (1) on or before January 1,  
311 2007, implement time-of-use rates for customers that have a maximum

312 demand of not less than three hundred fifty kilowatts that may  
 313 include, but not be limited to, mandatory peak, shoulder and off-peak  
 314 time-of-use rates, and (2) on or [before June 1, 2006] after the effective  
 315 date of this section, offer optional interruptible [or] and load response  
 316 rates for customers that have a maximum demand of not less than  
 317 three hundred fifty kilowatts and offer optional seasonal and time-of-  
 318 use rates for all customers. The application shall propose to establish  
 319 time-of-use rates through a procurement plan, revenue neutral  
 320 adjustments to delivery rates, or both.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16a-3a(b)
Sec. 2	<i>July 1, 2009</i>	New section
Sec. 3	<i>July 1, 2009</i>	16-262e
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	16-244c(b)
Sec. 6	<i>from passage</i>	16-244k
Sec. 7	<i>from passage</i>	16-243n(a)

**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:

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***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

***Explanation***

This bill makes various changes to guidelines regarding electric utilities. There is no anticipated fiscal impact associated with this bill.

***The Out Years***

***State Impact:*** None

***Municipal Impact:*** None

**OLR Bill Analysis**

**sHB 6631**

***AN ACT CONCERNING ELECTRIC UTILITIES AND UTILITY TERMINATIONS.***

**SUMMARY:**

This bill requires owners of residential buildings to give utilities and heating fuel dealers access to meters and other facilities located on their premises. It subjects the affected parties to sanctions if they do not, including being held responsible for their tenants' utility bills.

The bill establishes verification requirements for the termination of residential utility service. These provisions apply to services provided by utility companies, municipal utilities, and competitive electric suppliers.

The bill also requires electric companies to file energy assessments with the Connecticut Energy Advisory Board by January 1 every even-numbered year, rather than every year.

The bill specifies that domestic (Connecticut) electric companies have authority notwithstanding any provisions in their charters, to generate and transmit electricity and acquire and operate utility facilities for its business purposes. The bill does not affect the company's franchise area or the statutory restrictions that apply to an electric company owning or operating generation facilities.

The bill eliminates the authorization for electric companies to receive added compensation for providing transitional standard offer (the service they provided from January 1, 2004 to January 1, 2007 to customers who had not chosen a competitive supplier.) Current law requires the Department of Public Utility Control (DPUC) to conduct a contested case to determine whether the companies had procured

power for this service at below market prices and, if they did, provide them with compensation set at \$0.0005 per kilowatt-hour multiplied by the amount of power they sold. DPUC subsequently determined that the companies had not met this test.

The bill requires electric companies, starting on the bill's passage date, to offer optional interruptible and load response rates to customers that have a maximum demand of 350 kilowatts. (The former provides an incentive for customers to conserve power during peak demand periods; the latter offers an incentive to shift demand to off-peak periods.) Current law requires the companies to offer one of these rates.

EFFECTIVE DATE: Upon passage except for the provisions

#### **ACCESS TO METERS AND OTHER UTILITY EQUIPMENT**

The bill requires the owner, lessor, manager, or agent of any residential building to give a utility or heating fuel dealer access to its meters or other facilities located on the premises during reasonable hours, upon written request. Any such party that fails to provide access upon a reasonable request is liable for the utility's or dealer's cost in gaining access to the facilities, including collection costs and attorney fees. Under current law, owners and related parties are not liable for services provided to their tenants that are individually metered or billed.

If the failure to provide access delays the utility's or dealer's ability to terminate service to an individually metered or billed portion of the dwelling, the owner, lessor, manager, or agent is also liable for the amount billed by the utility or dealer for that part of the building, starting 10 days after the utility or dealer requested access and until access is provided. These provisions apply to access to equipment owned by investor-owned and municipal utilities, competitive electric suppliers, and heating fuel dealers.

#### **TERMINATIONS**

The bill requires anyone who seeks to terminate electric, gas,

telecommunications, or water service to a dwelling to provide the utility with identification sufficient to demonstrate that he or she is the customer of record, i.e., the person responsible for the utility bill or authorized representative. The customer or the customer's representative can do this by providing a driver's license or certain other documents that can be used, under current law, to establish an account; the password previously provided by the customer; the customer code provided by the utility; or other reasonable identifications established by the utility. The utility may not terminate service if the person does not provide reasonable identification showing that he or she is the customer of record.

If a person other than the customer of record or his or her authorized representative seeks to terminate service, the utility cannot do so unless it has sent a notification to the customer at his or her last known address at least nine days before the termination date.

However, a utility can terminate service at any time (1) at the request of a state or local fire or police authority, (2) at the utility's determination that failure to terminate service may harm safety or public health, or (3) if the utility has complied with all applicable laws or DPUC regulations on terminations not requested by the customer.

**BACKGROUND**

***Related Bill***

sHB 5694 (File 269) has the same meter access and termination provisions as this bill.

**COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable

Yea 21 Nay 0 (03/19/2009)