



# Senate

General Assembly

**File No. 83**

January Session, 2009

Substitute Senate Bill No. 777

*Senate, March 16, 2009*

The Committee on Energy and Technology reported through SEN. FONFARA, J. of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING MODIFICATIONS TO THE PURCHASED GAS ADJUSTMENT CLAUSE.***

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

1 Section 1. Subsection (h) of section 16-19b of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (h) The Department of Public Utility Control shall continually  
5 monitor and oversee the application of the purchased gas adjustment  
6 clause, the energy adjustment clause, and the transmission rate  
7 adjustment clause. [The] For the transmission rate adjustment clause,  
8 the department shall hold a public hearing thereon whenever the  
9 department deems it necessary [,] or upon application of the Office of  
10 Consumer Counsel, but no less frequently than once every six months.  
11 [, and] For the purchased gas adjustment clause and the energy  
12 adjustment clause, the department shall hold a public hearing thereon  
13 whenever the department deems it necessary or upon application of

14 the Office of Consumer Counsel, but no less frequently than annually.  
 15 The department shall undertake such other proceeding thereon to  
 16 determine whether charges or credits made under such clauses reflect  
 17 the actual prices paid for purchased gas or energy and the actual  
 18 transmission costs and are computed in accordance with the applicable  
 19 clause for the applicable period.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-19b(h)

**Statement of Legislative Commissioners:**

In section 1, "transmission adjustment clauses" was changed to "transmission rate adjustment clause" for internal consistency.

**ET**            *Joint Favorable Subst.-LCO*

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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.

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**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

**Explanation**

This bill requires the Department of Public Utility Control (DPUC) to hold a public hearing on the purchased gas and energy adjustment clauses at least annually rather than once every six months, as is current practice, and requires DPUC to hold a hearing on utility rate adjustment mechanisms at the request of the Office of Consumer Counsel. Currently DPUC holds approximately 175 public hearings annually. It is anticipated that any changes in the number of public hearings due to the bill's provisions will not result in a cost to the agency.

**The Out Years**

None

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**OLR Bill Analysis****sSB 777****AN ACT CONCERNING MODIFICATIONS TO THE PURCHASED GAS ADJUSTMENT CLAUSE.****SUMMARY:**

This bill modifies hearing requirements for three utility rate adjustment mechanisms. By law, the Department of Public Utility Control (DPUC) can adopt mechanisms to adjust electric and gas rates between rate cases to reflect changes in specific costs. Two mechanisms (the energy adjustment and transmission rate adjustment clauses) apply to electric rates. The purchased gas adjustment clause applies to gas rates.

Under current law, DPUC must hold a hearing on each of these clauses at least once every six months or when it considers a hearing necessary. The bill instead requires DPUC to hold a hearing on the purchased gas and energy adjustment clauses at least annually rather than once every six months. It also requires DPUC to hold a hearing on all three mechanisms at the request of the Office of Consumer Counsel, which represents ratepayers in DPUC proceedings. The bill continues to require DPUC to hold a hearing when it considers it necessary.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable

Yea 20 Nay 0 (02/26/2009)