



Senate

General Assembly

File No. 470

January Session, 2009

Substitute Senate Bill No. 1075

Senate, April 6, 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 COMPETITIVE ELECTRIC SUPPLIERS.

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

1 Section 1. Section 16-245s of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2009*):

3 (a) No electric distribution company shall submit or execute a
4 change in a customer's selection of an electric supplier unless the
5 change has been confirmed by one of the following: (1) [An
6 independent third-party] A recorded telephone verification that is
7 subject to an audit; (2) receipt of a written confirmation received in the
8 mail from the customer after the customer has received an information
9 package confirming any telephone agreement; (3) the customer signs a
10 document fully explaining the nature and effect of the change in
11 service; or (4) the customer's consent is obtained through electronic
12 means, including, but not limited to, a computer transaction.

13 (b) [Third-party telephone] Telephone verification shall [be in

14 accordance with the following procedures: (1) The electric supplier
15 seeking to verify the change shall do so by connecting the customer by
16 telephone to the third-party verification company or by arranging for
17 the third-party verification company to call the resident to confirm the
18 sale; and (2) the third-party verification] include, but not be limited to,
19 the company [shall obtain] obtaining the customer's oral confirmation
20 regarding the change [,] and [shall record] recording that confirmation
21 by obtaining appropriate verification data. The record shall be
22 available to the customer upon request. Information obtained from the
23 customer through confirmation shall not be used for marketing
24 purposes. The verification procedure in this subsection shall not apply
25 when a residential customer directly calls an electric distribution
26 company to make changes in electric supplier service, provided an
27 electric supplier shall not avoid the verification procedure by asking a
28 residential customer to contact an electric distribution company
29 directly to make changes in electric supplier service. [For purposes of
30 this section, "third-party verification company" means a company that:
31 (A) Is independent from the electric supplier that seeks to provide the
32 new service; (B) is not directly or indirectly managed, controlled or
33 directed or owned wholly or in part by (i) an electric supplier that
34 seeks to provide the new service, or (ii) any corporation, firm or person
35 who directly or indirectly manages, controls or directs or owns more
36 than five per cent of such supplier; (C) operates from facilities
37 physically separate from those of the electric supplier that seeks to
38 provide the new service; and (D) does not derive commissions or
39 compensation based upon the number of sales confirmed.]

40 (c) Any violation of this section shall be deemed an unfair or
41 deceptive trade practice under subsection (a) of section 42-110b.

42 (d) The Department of Public Utility Control shall adopt
43 regulations, in accordance with the provisions of chapter 54, to address
44 abusive switching practices by suppliers.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2009</i>	16-245s
-----------	---------------------	---------

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: None

Municipal Impact: None

Explanation

This bill modifies acceptable forms of confirmation for electric companies to switch a customer to a competitive supplier. There is no anticipated fiscal impact associated with this bill.

The Out Years

None

OLR Bill Analysis**sSB 1075*****AN ACT CONCERNING COMPETITIVE ELECTRIC SUPPLIERS.*****SUMMARY:**

Under current law, electric companies cannot switch a customer to a competitive supplier unless the switch has been confirmed in one of four ways, one of which is confirmation by an independent third party. The bill eliminates this option and instead permits confirmation by a recorded telephone verification that is subject to an audit. The bill does not specify who would conduct the audit.

Under current law, the third-party verification company must obtain the customer's oral confirmation of the switch and record the confirmation by obtaining appropriate verification data. The bill requires the telephone verification to follow this procedure and allows for additional procedures.

EFFECTIVE DATE: July 1, 2009

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 13 Nay 8 (03/19/2009)