



General Assembly

January Session, 2009

Raised Bill No. 6631

LCO No. 4547

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Referred to Committee on Energy and Technology

Introduced by:
(ET)

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2 repealed and the following is substituted in lieu thereof (*Effective from*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 reasonable written request, the owner, agent, lessor or
129 manager shall be liable for the costs incurred by the public service
130 company, electric supplier or municipal utility or heating fuel dealer in
131 gaining access to the meter and facilities, including costs of collection
132 and attorney fees. If the failure to provide access delays the ability of
133 the public service company, electric supplier or municipal utility or
134 heating fuel dealer to terminate service to an individually metered or
135 billed portion of the dwelling, the owner, agent, lessor or manager
136 failing to provide access shall also be liable for the amounts billed by
137 the public service company, electric supplier or municipal utility or
138 heating fuel dealer for service provided to the individually metered or
139 billed portion of the dwelling for the period beginning ten days after
140 access has been requested and ending when access is provided by such
141 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 section
157 16-243m of the general statutes and public act 07-242.

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. [, for the mitigation of the costs
296 associated with the compensation provided in subdivision (4) of
297 subsection (b) of section 16-244c.] The department may use any
298 remaining proceeds of a retail adder for the mitigation of the costs
299 associated with the difference between the total rate charged under the
300 standard offer pursuant to subsection (a) of section 16-244c and the
301 total rate charged under the transitional standard offer pursuant to
302 subsection (b) of section 16-244c, and then for the accelerated payment
303 of stranded costs established pursuant to section 16-245e.

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305 repealed and the following is substituted in lieu thereof (*Effective from*

306 *passage*):

307 (a) Not later than October 1, 2005, each electric distribution
 308 company, as defined in section 16-1, shall submit an application to the
 309 Department of Public Utility Control to (1) on or before January 1,
 310 2007, implement time-of-use rates for customers that have a maximum
 311 demand of not less than three hundred fifty kilowatts that may
 312 include, but not be limited to, mandatory peak, shoulder and off-peak
 313 time-of-use rates, and (2) on or ~~[before June 1, 2006]~~ after the effective
 314 date of this section, offer optional interruptible ~~[or]~~ and load response
 315 rates for customers that have a maximum demand of not less than
 316 three hundred fifty kilowatts and offer optional seasonal and time-of-
 317 use rates for all customers. The application shall propose to establish
 318 time-of-use rates through a procurement plan, revenue neutral
 319 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)

Statement of Purpose:

To promote conservation and load management investments, change the frequency of the integrated resource plan, provide easier access to meters, amend termination of service requirements, repeal procurement and generation fees, require electric distribution companies to implement optional interruptible and load response rates, and allow electric companies to generate and transmit electric energy and acquire and operate certain utility facilities.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]