



STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC UTILITY CONTROL

Anthony J. Palermino

Commissioner

THE ENERGY & TECHNOLOGY COMMITTEE

House Bill 5694: AAC UTILITY SERVICE TERMINATION

February 17, 2009

TESTIMONY OF COMMISSIONER ANTHONY PALERMINO

The Department of Public Utility Control (Department) would like to make the following comments on House Bill No. 5694. House Bill No. 5694 would extend from thirteen days to thirty days a letter requirement for terminations by electric companies, gas, telephone and water companies as well as for electric suppliers and a municipality furnishing services.

The Department recognizes that not all companies handle terminations of service exactly the same way. Some of the criteria that companies use to decide whether and when a termination notice should be issued may include: when the last payment was made, the size of the bill or outstanding balance, previous payment history and the customer's history of entering and maintaining (or breaking) payment arrangements. The Department agrees that the public would benefit from explicitly stated rules and more clear parameters for customers facing termination of services.

However, the Department is concerned that a longer wait time could cause customers to forget towards the end of the 30-day period that they had received a termination notice. Moreover, if this bill leads to utility companies increasing the amount a customer will have to pay to have their services reinstated, or to avoid termination, the Department would recommend against passing this bill as currently written. It has been the Department's observation that the 13 day notice is likely to result in the customer contacting the company/Department immediately upon receipt of the termination notice to work out a payment arrangement and to avoid termination. Therefore, extending the notice time-line for the companies may have a detrimental affect on motivating customers to act more decidedly and quickly to resolve their billing issues.

As the Committee is aware, hardship customers are protected from termination from November 1 to May 1. There are also additional protections from termination for customers who have a serious illness or whose life could be jeopardized by a loss of utility services. Customers whose service is in danger of being terminated can also ask the Department to investigate the utility company's actions and the circumstances around the termination. Lastly, customers can always set-up payment arrangements with the utility if they are facing arrearages and a financial hardship.

The Department appreciates this opportunity to testify and urges the Committee to consider the full impact of such a modification prior to urging passage of this bill. We look forward to working with the Committee on this matter as the Committee sees fit.