

Comments of
The United Illuminating Company
Re:
Raised House Bill No. 5507
**AN ACT CONCERNING CONSUMER PROTECTIONS IN THE RETAIL ELECTRICITY
MARKET**
Before the Energy & Technology Committee
Legislative Office Building
March 16, 2010

Good afternoon Senator Fonfara, Representative Nardello, members of the Energy and Technology Committee. UI submits these comments regarding **House Bill 5507 – AN ACT CONCERNING CONSUMER PROTECTIONS IN THE RETAIL ELECTRICITY MARKET**

Raised House Bill 5507 eliminates the requirement that electric distribution companies maintain a referral offer from retail electric suppliers. While UI recognizes that this particular program can be valuable to some customers, the marketplace should not need such a requirement to bring forth a product that consumers' desire. The current program does require some incremental administrative work on the part of the electric distribution companies in order to maintain the program, adhere to certain rate guidelines and prepare and distribute bill insert information on a regular basis. With retail choice now in effect for 10 years, and substantial customer switching within the last three years, sufficient market transformation has occurred in order for the marketplace itself to bring forth products that will satisfy consumer demands.

As a clarifying point, lines 468-473 delete a statutory provision regarding electric distribution company billing for electric suppliers. UI has previously testified in favor of eliminating the distribution company billing requirement. However, if the modification in this proposed bill is more targeted at the manner in which distribution companies bill for retail suppliers; i.e., payment on a date certain with an appropriate amount withheld to reflect non-hardship uncollectible accounts, then UI is not in favor of its elimination. The current methodology employed by UI to bill pay suppliers should remain intact so long as the electric distribution companies still have a requirement to bill customers on behalf

of the retail electric suppliers. As we did in prior testimony and further correspondence to the committee, we suggest that there are other significant charges incurred by UI in support of retail choice and alternate supplier functions that are currently included in UI's Generation Service Charge (GSC) that are borne by customers receiving Standard Service that may be more properly allocated to those customers using those alternate suppliers. We suggested that a proceeding before the DPUC may be the proper venue to examine those costs and allocate them to the proper customers rather than to UI's Standard Service customers.

If you have any questions, please contact Carlos Vazquez UI's Senior Director of Government Relations at 203-521-2455 at your earliest convenience.