

**STATE OF CONNECTICUT
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION
PUBLIC UTILITIES REGULATORY AUTHORITY**

Public Hearing – March 20, 2012
Energy & Technology Committee
Testimony Submitted by Chairman Kevin DelGobbo

House Bill No. 5542 – An Act Concerning Consumer Protection For Utility Customers

Thank you for the opportunity to submit testimony regarding House Bill No. 5542 – An Act Concerning Consumer Protection for Utility Customers. The Public Utilities Regulatory Authority (“PURA” or “Authority”) welcomes the opportunity to offer the following testimony. This bill requires: 1) the disclosure of salaries of certain executives of public utility; 2) credits to utility customers for food losses occurred during prolonged service outages; and 3) waiver of late fees by certain utility companies and credits to customers during prolonged outages.

Section 1 of proposed House Bill 5542 would require public service companies as defined by Conn. Gen. Stat. § 16-1, to provide to the Authority its executive and officer compensation for the regulated utility and for its holding company that controls a public service company in a yearly filing and that the Authority maintain and make available to the public such information. The Authority agrees with this provision in that it provides greater transparency to all ratepayers.

Regarding subsection (c), PURA does have existing authority to limit the amount of compensation for directors, officers and executives in all rate proceedings whereby salaries of management officials are evaluated and tested against a proxy group of similar executives in similar utilities across the country. We would also note that PURA in the past has exercised its authority to disallow certain bonus compensation packages during such rate proceedings.

Section 2 of proposed House bill 5542 requires each electric company and electric distribution company to reimburse any residential customer for spoiled food due to a prolonged outage of more than 48 hours if such customer files an application for reimbursement in a timely manner and such customer’s household meets certain criteria with respect to income and eligibility for other low-income assistance. The Authority understands the concept of issuing credits for food spoilage given the recent events related to the two storms to compensate low income households. PURA would note however that the provisions in Section 4 of this proposed bill would have such cost of the program being added to the System Benefit Charge and thus borne by all ratepayers.

Section 3 of proposed House bill 5542 prohibits any public service company, electric supplier or cable/video and telecommunications provider from assessing any late fees to any customer if the due date of such bill occurs during any period of outage occurring for more than twenty-four hours, barring outages occurring as a result of previous nonpayment. Here too, PURA agrees in concept with these provisions but would request further clarification as to the definition of twenty-four hour time period in subsection (a), does it have to be consecutive and complete to qualify. Also, is the waiver of the late fee for a restricted time period or indefinitely?

PURA welcomes the opportunity to work with the Committee to achieve the intent of the provisions outlined in this bill. Thank you for the opportunity to present testimony on this proposal. If you should require any additional information, please contact DEEP's legislative liaison, Robert LaFrance at 424-3401 or Robert.LaFrance@ct.gov