



General Assembly

February Session, 2012

**Raised Bill No. 5474**

LCO No. 2145

\*02145\_\_\_\_\_ET\_\*

Referred to Committee on Energy and Technology

Introduced by:  
(ET)

**AN ACT CONCERNING THE AUTONOMY OF THE PUBLIC UTILITIES REGULATORY AUTHORITY.**

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

1 Section 1. Subsection (a) of section 16-2 of the 2012 supplement to  
2 the general statutes is repealed and the following is substituted in lieu  
3 thereof (*Effective July 1, 2012*):

4 (a) There shall continue to be a Public Utilities Regulatory Authority  
5 within the Department of Energy and Environmental Protection for  
6 administrative purposes only, which shall consist of three electors of  
7 this state, appointed by the Governor with the advice and consent of  
8 both houses of the General Assembly. Not more than two members of  
9 said authority in office at any one time shall be members of any one  
10 political party. On or before July 1, 2011, the Governor shall appoint  
11 three members to the authority. The first director appointed by the  
12 Governor on or before July 1, 2011, who is of the same political party  
13 as that of the Governor shall serve a term of five years. The second  
14 director appointed by the Governor on or before July 1, 2011, who is of  
15 the same political party as that of the Governor shall serve a term of  
16 four years. The first director appointed by the Governor on or before

17 July 1, 2011, who is of a different political party as that of the Governor  
18 shall serve a term of three years. Any director appointed on or after  
19 January 1, 2014, shall serve a term of four years. The procedure  
20 prescribed by section 4-7 shall apply to such appointments, except that  
21 the Governor shall submit each nomination on or before May first, and  
22 both houses shall confirm or reject it before adjournment sine die. The  
23 directors shall be sworn to the faithful performance of their duties. The  
24 term of any commissioner serving on June 30, 2011, shall be  
25 terminated.

26 Sec. 2. Subsection (f) of section 16-2 of the 2012 supplement to the  
27 general statutes is repealed and the following is substituted in lieu  
28 thereof (*Effective July 1, 2012*):

29 (f) The chairperson of the authority [, with the approval of the  
30 Commissioner of Energy and Environmental Protection,] shall  
31 prescribe the duties of the staff assigned to the authority in order to (1)  
32 conduct comprehensive planning with respect to the functions of the  
33 authority; (2) coordinate the activities of the authority; (3) cause the  
34 administrative organization of the authority to be examined with a  
35 view to promoting economy and efficiency; (4) organize the authority  
36 into such divisions, bureaus or other units as necessary for the efficient  
37 conduct of the business of the authority; [and may from time to time  
38 make recommendations to the commissioner regarding staff and  
39 resources;] (5) for any proceeding on a proposed rate amendment in  
40 which staff of the authority are to be made a party pursuant to section  
41 16-19j, determine which staff shall appear and participate in the  
42 proceedings and which shall serve the members of the authority; (6)  
43 enter into such contractual agreements, in accordance with established  
44 procedures, as may be necessary for the discharge of the authority's  
45 duties; (7) subject to the provisions of section 4-32, and unless  
46 otherwise provided by law, receive any money, revenue or services  
47 from the federal government, corporations, associations or individuals,  
48 including payments from the sale of printed matter or any other  
49 material or services; and (8) require the staff of the authority to have

50 expertise in public utility engineering and accounting, finance,  
51 economics, computers and rate design.

52 Sec. 3. Section 4-67e of the 2012 supplement to the general statutes is  
53 repealed and the following is substituted in lieu thereof (*Effective July*  
54 *1, 2012*):

55 The Secretary of the Office of Policy and Management shall  
56 coordinate the activity of the Commissioner of Public Health, [and] the  
57 Commissioner of Energy and Environmental Protection and the  
58 chairperson of the Public Utilities Regulatory Authority in the  
59 following: (1) The review of the authority of each agency for  
60 consistency with the policies established by section 22a-380, (2) the  
61 preparation of a memorandum of understanding, not more than six  
62 months after October 1, 1991, intended to avoid inconsistency, overlap  
63 and redundancy in requirements and authority of each agency in  
64 water conservation issues, emergency contingency plans and  
65 regulatory authority under chapters 283, 446i, 446j and 474, (3) the  
66 review of exercise of regulatory authority over water companies, as  
67 defined in section 25-32a, to determine whether inconsistency, overlap  
68 or redundancy exist in the statutory requirements or regulatory  
69 authority of such agencies under chapters 283, 446i, 446j, and 474, (4)  
70 the assessment of the necessity of a memorandum of understanding to  
71 avoid such inconsistency, overlap or redundancy, and, if determined  
72 to be necessary, the preparation of such a memorandum by July 1,  
73 1995, and (5) the development of recommendations for legislation and  
74 amendments to regulations to implement the provisions of a  
75 memorandum of understanding prepared pursuant to this section, or  
76 for consistency with the policies established by section 22a-380. There  
77 shall be a period of public review and comment on a memorandum of  
78 understanding prior to final agreement. On or before January 1, 1995,  
79 the secretary shall submit to the joint standing committees of the  
80 General Assembly having cognizance of matters relating to public  
81 health, energy and public utilities and the environment, written  
82 findings, and any recommendations, concerning the review and

83 assessment conducted pursuant to subdivisions (3) and (4) of this  
84 section.

85 Sec. 4. Section 16-6b of the 2012 supplement to the general statutes is  
86 repealed and the following is substituted in lieu thereof (*Effective July*  
87 *1, 2012*):

88 The Public Utilities Regulatory Authority [, in consultation with the  
89 Department of Energy and Environmental Protection,] may, in  
90 accordance with chapter 54, adopt such regulations with respect to (1)  
91 rates and charges, services, accounting practices, safety and the  
92 conduct of operations generally of public service companies subject to  
93 its jurisdiction as it deems reasonable and necessary, [. The department  
94 in consultation with the authority may, in accordance with chapter 54,  
95 adopt such regulations with respect to] and (2) services, accounting  
96 practices, safety and the conduct of operations generally of electric  
97 suppliers subject to its jurisdiction as it deems reasonable and  
98 necessary. After consultation with the Secretary of the Office of Policy  
99 and Management, the [department] authority may also adopt  
100 regulations, in accordance with chapter 54, establishing standards for  
101 systems utilizing cogeneration technology and renewable fuel  
102 resources.

103 Sec. 5. Section 16-7 of the 2012 supplement to the general statutes is  
104 repealed and the following is substituted in lieu thereof (*Effective July*  
105 *1, 2012*):

106 The directors and any employees of [the department assigned to]  
107 the Public Utilities Regulatory Authority while engaged in the  
108 performance of their duties may, at all reasonable times, enter any  
109 premises, buildings, cars or other places belonging to or controlled by  
110 any public service company or electric supplier, and any person  
111 obstructing or in any way causing to be obstructed or hindered any  
112 member or employee of the [department] authority in the performance  
113 of his or her duties shall be fined not more than two hundred dollars  
114 or imprisoned not more than six months, or both.

115 Sec. 6. Subsection (c) of section 16-245m of the 2012 supplement to  
116 the general statutes is repealed and the following is substituted in lieu  
117 thereof (*Effective July 1, 2012*):

118 (c) The [Commissioner of Energy and Environmental Protection]  
119 Public Utilities Regulatory Authority shall appoint and convene an  
120 Energy Conservation Management Board which shall include  
121 representatives of: (1) An environmental group knowledgeable in  
122 energy conservation program collaboratives; (2) [a representative of]  
123 the Office of Consumer Counsel; (3) the Attorney General; (4) the  
124 electric distribution companies in whose territories the activities take  
125 place for such programs; (5) a state-wide manufacturing association;  
126 (6) a chamber of commerce; (7) a state-wide business association; (8) a  
127 state-wide retail organization; (9) [a representative of] a municipal  
128 electric energy cooperative created pursuant to chapter 101a; (10) [two  
129 representatives selected by the] gas companies in this state; [and] (11)  
130 residential customers; and (12) the Commissioner of Energy and  
131 Environmental Protection. [Such members] The board shall include  
132 two representatives of gas companies who shall be appointed from  
133 persons selected by the gas companies. Members of the board shall  
134 serve for a period of five years and may be reappointed.  
135 Representatives of gas companies, electric distribution companies and  
136 the municipal electric energy cooperative shall be nonvoting members  
137 of the board. [The commissioner shall serve as the chairperson of the  
138 board.] The board shall elect a chairperson from its members.

139 Sec. 7. Subsection (d) of section 16-245m of the 2012 supplement to  
140 the general statutes is repealed and the following is substituted in lieu  
141 thereof (*Effective July 1, 2012*):

142 (d) (1) The Energy Conservation Management Board shall advise  
143 and assist the electric distribution companies in the development and  
144 implementation of a comprehensive plan, which plan shall be  
145 approved by the [Department of Energy and Environmental  
146 Protection] Public Utilities Regulatory Authority, to implement cost-

147 effective energy conservation programs and market transformation  
148 initiatives. Such plan shall include steps that would be needed to  
149 achieve the goal of weatherization of eighty per cent of the state's  
150 residential units by 2030. Each program contained in the plan shall be  
151 reviewed by the electric distribution company and either accepted or  
152 rejected by the Energy Conservation Management Board prior to  
153 submission to the [department] authority for approval. The Energy  
154 Conservation Management Board shall, as part of its review, examine  
155 opportunities to offer joint programs providing similar efficiency  
156 measures that save more than one fuel resource or otherwise to  
157 coordinate programs targeted at saving more than one fuel resource.  
158 Any costs for joint programs shall be allocated equitably among the  
159 conservation programs. The Energy Conservation Management Board  
160 shall give preference to projects that maximize the reduction of  
161 federally mandated congestion charges. The [Department of Energy  
162 and Environmental Protection] authority shall, in an uncontested  
163 proceeding during which the [department] authority may hold a  
164 public hearing, approve, modify or reject the comprehensive plan  
165 prepared pursuant to this subsection.

166 (2) There shall be a joint committee of the Energy Conservation  
167 Management Board and the board of directors of the Clean Energy  
168 Finance and Investment Authority. The board and the advisory  
169 committee shall each appoint members to such joint committee. The  
170 joint committee shall examine opportunities to coordinate the  
171 programs and activities funded by the Clean Energy Fund pursuant to  
172 section 16-245n with the programs and activities contained in the plan  
173 developed under this subsection to reduce the long-term cost,  
174 environmental impacts and security risks of energy in the state. Such  
175 joint committee shall hold its first meeting on or before August 1, 2005.

176 (3) Programs included in the plan developed under subdivision (1)  
177 of this subsection shall be screened through cost-effectiveness testing  
178 that compares the value and payback period of program benefits to  
179 program costs to ensure that programs are designed to obtain energy

180 savings and system benefits, including mitigation of federally  
181 mandated congestion charges, whose value is greater than the costs of  
182 the programs. Program cost-effectiveness shall be reviewed annually,  
183 or otherwise as is practicable, and shall incorporate the results of the  
184 evaluation process set forth in subdivision (4) of this subsection. If a  
185 program is determined to fail the cost-effectiveness test as part of the  
186 review process, it shall either be modified to meet the test or shall be  
187 terminated. On or before March 1, 2005, and on or before March first  
188 annually thereafter, the board shall provide a report, in accordance  
189 with the provisions of section 11-4a, to the joint standing committees of  
190 the General Assembly having cognizance of matters relating to energy  
191 and the environment that documents (A) expenditures and fund  
192 balances and evaluates the cost-effectiveness of such programs  
193 conducted in the preceding year, and (B) the extent to and manner in  
194 which the programs of such board collaborated and cooperated with  
195 programs, established under section 7-233y, of municipal electric  
196 energy cooperatives. To maximize the reduction of federally mandated  
197 congestion charges, programs in the plan may allow for  
198 disproportionate allocations between the amount of contributions to  
199 the Energy Conservation and Load Management Funds by a certain  
200 rate class and the programs that benefit such a rate class. Before  
201 conducting such evaluation, the board shall consult with the board of  
202 directors of the Clean Energy Finance and Investment Authority. The  
203 report shall include a description of the activities undertaken during  
204 the reporting period jointly or in collaboration with the Clean Energy  
205 Fund established pursuant to subsection (c) of section 16-245n.

206 (4) The [Department of Energy and Environmental Protection]  
207 Public Utilities Regulatory Authority shall adopt an independent,  
208 comprehensive program evaluation, measurement and verification  
209 process to ensure the Energy Conservation Management Board's  
210 programs are administered appropriately and efficiently, comply with  
211 statutory requirements, programs and measures are cost effective,  
212 evaluation reports are accurate and issued in a timely manner,  
213 evaluation results are appropriately and accurately taken into account

214 in program development and implementation, and information  
215 necessary to meet any third-party evaluation requirements is  
216 provided. An annual schedule and budget for evaluations as  
217 determined by the board shall be included in the plan filed with the  
218 [department] authority pursuant to subdivision (1) of this subsection.  
219 The electric distribution and gas company representatives and the  
220 representative of a municipal electric energy cooperative may not vote  
221 on board plans, budgets, recommendations, actions or decisions  
222 regarding such process or its program evaluations and their  
223 implementation. Program and measure evaluation, measurement and  
224 verification shall be conducted on an ongoing basis, with emphasis on  
225 impact and process evaluations, programs or measures that have not  
226 been studied, and those that account for a relatively high percentage of  
227 program spending. Evaluations shall use statistically valid monitoring  
228 and data collection techniques appropriate for the programs or  
229 measures being evaluated. All evaluations shall contain a description  
230 of any problems encountered in the process of the evaluation,  
231 including, but not limited to, data collection issues, and  
232 recommendations regarding addressing those problems in future  
233 evaluations. The board shall contract with one or more consultants not  
234 affiliated with the board members to act as an evaluation  
235 administrator, advising the board regarding development of a  
236 schedule and plans for evaluations and overseeing the program  
237 evaluation, measurement and verification process on behalf of the  
238 board. Consistent with board processes and approvals and  
239 [department] authority decisions regarding evaluation, such  
240 evaluation administrator shall implement the evaluation process by  
241 preparing requests for proposals and selecting evaluation contractors  
242 to perform program and measure evaluations and by facilitating  
243 communications between evaluation contractors and program  
244 administrators to ensure accurate and independent evaluations. In the  
245 evaluation administrator's discretion and at his or her request, the  
246 electric distribution and gas companies shall communicate with the  
247 evaluation administrator for purposes of data collection, vendor

248 contract administration, and providing necessary factual information  
249 during the course of evaluations. The evaluation administrator shall  
250 bring unresolved administrative issues or problems that arise during  
251 the course of an evaluation to the board for resolution, but shall have  
252 sole authority regarding substantive and implementation decisions  
253 regarding any evaluation. Board members, including electric  
254 distribution and gas company representatives, may not communicate  
255 with an evaluation contractor about an ongoing evaluation except with  
256 the express permission of the evaluation administrator, which may  
257 only be granted if the administrator believes the communication will  
258 not compromise the independence of the evaluation. The evaluation  
259 administrator shall file evaluation reports with the board and with the  
260 [department] authority in its most recent uncontested proceeding  
261 pursuant to subdivision (1) of this subsection and the board shall post  
262 a copy of each report on its Internet web site. The board and its  
263 members, including electric distribution and gas company  
264 representatives, may file written comments regarding any evaluation  
265 with the [department] authority or for posting on the board's Internet  
266 web site. Within fourteen days of the filing of any evaluation report,  
267 the [department] authority, members of the board or other interested  
268 persons may request in writing, and the [department] authority shall  
269 conduct, a transcribed technical meeting to review the methodology,  
270 results and recommendations of any evaluation. Participants in any  
271 such transcribed technical meeting shall include the evaluation  
272 administrator, the evaluation contractor and the Office of Consumer  
273 Counsel at its discretion. On or before November 1, 2011, and annually  
274 thereafter, the board shall report to the joint standing committee of the  
275 General Assembly having cognizance of matters relating to energy,  
276 with the results and recommendations of completed program  
277 evaluations.

278 (5) Programs included in the plan developed under subdivision (1)  
279 of this subsection may include, but not be limited to: (A) Conservation  
280 and load management programs, including programs that benefit low-  
281 income individuals; (B) research, development and commercialization

282 of products or processes which are more energy-efficient than those  
283 generally available; (C) development of markets for such products and  
284 processes; (D) support for energy use assessment, real-time monitoring  
285 systems, engineering studies and services related to new construction  
286 or major building renovation; (E) the design, manufacture,  
287 commercialization and purchase of energy-efficient appliances and  
288 heating, air conditioning and lighting devices; (F) program planning  
289 and evaluation; (G) indoor air quality programs relating to energy  
290 conservation; (H) joint fuel conservation initiatives programs targeted  
291 at reducing consumption of more than one fuel resource; (I) public  
292 education regarding conservation; and (J) demand-side technology  
293 programs recommended by the integrated resources plan approved by  
294 the Department of Energy and Environmental Protection pursuant to  
295 section 16a-3a, as amended by this act. The board shall periodically  
296 review contractors to determine whether they are qualified to conduct  
297 work related to such programs. Such support may be by direct  
298 funding, manufacturers' rebates, sale price and loan subsidies, leases  
299 and promotional and educational activities. The plan shall also provide  
300 for expenditures by the Energy Conservation Management Board for  
301 the retention of expert consultants and reasonable administrative costs  
302 provided such consultants shall not be employed by, or have any  
303 contractual relationship with, an electric distribution company. Such  
304 costs shall not exceed five per cent of the total revenue collected from  
305 the assessment.

306 Sec. 8. Subsection (i) of section 16-244c of the 2012 supplement to the  
307 general statutes is repealed and the following is substituted in lieu  
308 thereof (*Effective July 1, 2012*):

309 (i) The [Department of Energy and Environmental Protection]  
310 Public Utilities Regulatory Authority shall establish, by regulations  
311 adopted pursuant to chapter 54, procedures for when and how a  
312 customer is notified that his electric supplier has defaulted and of the  
313 need for the customer to choose a new electric supplier within a  
314 reasonable period of time.

315 Sec. 9. Subsection (l) of section 16-244c of the 2012 supplement to the  
316 general statutes is repealed and the following is substituted in lieu  
317 thereof (*Effective July 1, 2012*):

318 (l) Each electric distribution company shall offer to bill customers on  
319 behalf of participating electric suppliers and to pay such suppliers in a  
320 timely manner the amounts due such suppliers from customers for  
321 generation services, less a percentage of such amounts that reflects  
322 uncollectible bills and overdue payments as approved by the  
323 [Department of Energy and Environmental Protection] Public Utilities  
324 Regulatory Authority.

325 Sec. 10. Subsection (a) of section 16-245d of the 2012 supplement to  
326 the general statutes is repealed and the following is substituted in lieu  
327 thereof (*Effective July 1, 2012*):

328 (a) The [Department of Energy and Environmental Protection]  
329 Public Utilities Regulatory Authority shall, by regulations adopted  
330 pursuant to chapter 54, develop a standard billing format that enables  
331 customers to compare pricing policies and charges among electric  
332 suppliers. The [department] authority shall adopt regulations, in  
333 accordance with the provisions of chapter 54, to provide that an  
334 electric supplier, until July 1, 2012, may provide direct billing and  
335 collection services for electric generation services and related federally  
336 mandated congestion charges that such supplier provides to its  
337 customers with a maximum demand of not less than one hundred  
338 kilowatts that choose to receive a bill directly from such supplier and,  
339 on and after July 1, 2012, shall provide direct billing and collection  
340 services for electric generation services and related federally mandated  
341 congestion charges that such suppliers provide to their customers or  
342 may choose to obtain such billing and collection service through an  
343 electric distribution company and pay its pro rata share in accordance  
344 with the provisions of subsection (h) of section 16-244c, as amended by  
345 this act. Any customer of an electric supplier, which is choosing to  
346 provide direct billing, who paid for the cost of billing and other

347 services to an electric distribution company shall receive a credit on  
348 their monthly bill.

349 (1) An electric supplier that chooses to provide billing and collection  
350 services shall, in accordance with the billing format developed by the  
351 [department] authority, include the following information in each  
352 customer's bill: (A) The total amount owed by the customer, which  
353 shall be itemized to show (i) the electric generation services component  
354 and any additional charges imposed by the electric supplier, and (ii)  
355 federally mandated congestion charges applicable to the generation  
356 services; (B) any unpaid amounts from previous bills, which shall be  
357 listed separately from current charges; (C) the rate and usage for the  
358 current month and each of the previous twelve months in bar graph  
359 form or other visual format; (D) the payment due date; (E) the interest  
360 rate applicable to any unpaid amount; (F) the toll-free telephone  
361 number of the Public Utilities Regulatory Authority for questions or  
362 complaints; and (G) the toll-free telephone number and address of the  
363 electric supplier. On or before February 1, 2012, the authority shall  
364 conduct a review of the costs and benefits of suppliers billing for all  
365 components of electric service, and report, in accordance with the  
366 provisions of section 11-4a, to the joint standing committee of the  
367 General Assembly having cognizance of matters relating to energy  
368 regarding the results of such review.

369 (2) An electric distribution company shall, in accordance with the  
370 billing format developed by the authority, include the following  
371 information in each customer's bill: (A) The total amount owed by the  
372 customer, which shall be itemized to show, (i) the electric generation  
373 services component if the customer obtains standard service or last  
374 resort service from the electric distribution company, (ii) the  
375 distribution charge, including all applicable taxes and the systems  
376 benefits charge, as provided in section 16-245l, (iii) the transmission  
377 rate as adjusted pursuant to subsection (d) of section 16-19b, (iv) the  
378 competitive transition assessment, as provided in section 16-245g, (v)  
379 federally mandated congestion charges, and (vi) the conservation and

380 renewable energy charge, consisting of the conservation and load  
381 management program charge, as provided in section 16-245m, as  
382 amended by this act, and the renewable energy investment charge, as  
383 provided in section 16-245n; (B) any unpaid amounts from previous  
384 bills which shall be listed separately from current charges; (C) except  
385 for customers subject to a demand charge, the rate and usage for the  
386 current month and each of the previous twelve months in the form of a  
387 bar graph or other visual form; (D) the payment due date; (E) the  
388 interest rate applicable to any unpaid amount; (F) the toll-free  
389 telephone number of the electric distribution company to report power  
390 losses; (G) the toll-free telephone number of the Public Utilities  
391 Regulatory Authority for questions or complaints; and (H) if a  
392 customer has a demand of five hundred kilowatts or less during the  
393 preceding twelve months, a statement about the availability of  
394 information concerning electric suppliers pursuant to section 16-245p.

395 Sec. 11. Subsection (a) of section 16-41 of the general statutes is  
396 repealed and the following is substituted in lieu thereof (*Effective July*  
397 *1, 2012*):

398 (a) Each (1) public service company and its officers, agents and  
399 employees, (2) electric supplier or person providing electric generation  
400 services without a license in violation of section 16-245, and its officers,  
401 agents and employees, (3) certified telecommunications provider or  
402 person providing telecommunications services without authorization  
403 pursuant to sections 16-247f to 16-247h, inclusive, and its officers,  
404 agents and employees, (4) person, public agency or public utility, as  
405 such terms are defined in section 16-345, subject to the requirements of  
406 chapter 293, (5) person subject to the registration requirements under  
407 section 16-258a, (6) cellular mobile telephone carrier, as described in  
408 section 16-250b, (7) Connecticut electric efficiency partner, as defined  
409 in section 16-243v, [and] (8) company, as defined in section 16-49, (9)  
410 person who owns, operates or constructs a facility, as defined in  
411 section 16-50i, and (10) person who is engaged in the submetering of  
412 electricity or the billing thereof, shall obey, observe and comply with

413 all applicable provisions of this title and each applicable order made or  
414 applicable regulations adopted by the Public Utilities Regulatory  
415 Authority and the Connecticut Siting Council, as applicable, by virtue  
416 of this title as long as the same remains in force. Any such company,  
417 electric supplier, certified telecommunications provider, cellular  
418 mobile telephone carrier, Connecticut electric efficiency partner,  
419 person, any officer, agent or employee thereof, public agency or public  
420 utility which the authority finds has failed to obey or comply with any  
421 such provision of this title, order or regulation shall be fined by order  
422 of the authority in accordance with the penalty prescribed for the  
423 violated provision of this title or, if no penalty is prescribed, not more  
424 than ten thousand dollars for each offense, except that the penalty shall  
425 be a fine of not more than forty thousand dollars for failure to comply  
426 with an order of the authority made in accordance with the provisions  
427 of section 16-19 or 16-247k or within thirty days of such order or  
428 within any specific time period for compliance specified in such order.  
429 Each distinct violation of any such provision of this title, order or  
430 regulation shall be a separate offense and, in case of a continued  
431 violation, each day thereof shall be deemed a separate offense. Each  
432 such penalty and any interest charged pursuant to subsection (g) or (h)  
433 of section 16-49 shall be excluded from operating expenses for  
434 purposes of rate-making.

435 Sec. 12. Subdivision (3) of subsection (c) of section 16-244c of the  
436 2012 supplement to the general statutes is repealed and the following  
437 is substituted in lieu thereof (*Effective July 1, 2012*):

438 (3) An electric distribution company providing electric generation  
439 services pursuant to this subsection shall cooperate with the  
440 procurement manager of the [Department of Energy and  
441 Environmental Protection] Public Utilities Regulatory Authority and  
442 comply with the procurement plan for electric generation services  
443 contracts. Such plan shall require that the portfolio of service contracts  
444 be procured in such manner and duration as the authority determines  
445 to be most likely to produce just, reasonable and reasonably stable

446 retail rates while reflecting underlying wholesale market prices over  
447 time. The portfolio of contracts shall be assembled in such manner as  
448 to invite competition; guard against favoritism, improvidence,  
449 extravagance, fraud and corruption; and secure a reliable electricity  
450 supply while avoiding unusual, anomalous or excessive pricing. An  
451 affiliate of an electric distribution company may bid for an electric  
452 generation services contract, provided such electric distribution  
453 company and affiliate are in compliance with the code of conduct  
454 established in section 16-244h.

455 Sec. 13. Subsection (a) of section 16-244m of the 2012 supplement to  
456 the general statutes is repealed and the following is substituted in lieu  
457 thereof (*Effective July 1, 2012*):

458 (a) On or before January 1, 2012, and annually thereafter, the  
459 procurement manager of the [Department of Energy and  
460 Environmental Protection] Public Utilities Regulatory Authority, in  
461 consultation with each electric distribution company and with others  
462 at the procurement manager's discretion, including, but not limited to,  
463 a municipal energy cooperative established pursuant to chapter 101a,  
464 other than entities, individuals and companies or their affiliates  
465 potentially involved in bidding on standard service, shall develop a  
466 plan for the procurement of electric generation services and related  
467 wholesale electricity market products that will enable each electric  
468 distribution company to manage a portfolio of contracts to reduce the  
469 average cost of standard service while maintaining standard service  
470 cost volatility within reasonable levels. Each procurement plan shall  
471 provide for the competitive solicitation for load-following electric  
472 service and may include a provision for the use of other contracts,  
473 including, but not limited to, contracts for generation or other  
474 electricity market products and financial contracts, and may provide  
475 for the use of varying lengths of contracts. If such plan includes the  
476 purchase of full requirements contracts, it shall include an explanation  
477 of why such purchases are in the best interests of standard service  
478 customers.

479       Sec. 14. (*Effective from passage*) The Public Utilities Regulatory  
480 Authority shall initiate a docket to review the regulation of the state's  
481 propane industry. On or before January 1, 2013, the authority shall  
482 report, in accordance with the provisions of section 11-4a of the general  
483 statutes, the findings of such docket to the joint standing committee of  
484 the General Assembly having cognizance of matters relating to energy  
485 and technology.

486       Sec. 15. (*Effective from passage*) The Public Utilities Regulatory  
487 Authority shall initiate a docket to review the sufficiency of natural gas  
488 lines in the state to supply natural gas for consumers to operate  
489 generators. The authority shall report, in accordance with the  
490 provisions of section 11-4a of the general statutes, the findings of such  
491 docket to the joint standing committee of the General Assembly having  
492 cognizance of matters relating to energy on or before February 1, 2013.

493       Sec. 16. Section 16-244u of the 2012 supplement to the general  
494 statutes is repealed and the following is substituted in lieu thereof  
495 (*Effective July 1, 2012*):

496       (a) As used in this section:

497       (1) "Beneficial account" means an in-state [retail] end user of an  
498 electric distribution company designated by a customer host in such  
499 electric distribution company's service area to receive virtual net  
500 metering credits from a virtual net metering facility;

501       (2) "Customer host" means an in-state [retail] end user of an electric  
502 distribution company that owns or leases a virtual net metering facility  
503 [ ] and participates in virtual net metering;

504       (3) "Unassigned virtual net metering credit" means in any given  
505 electric distribution company monthly billing period, a virtual net  
506 metering credit that remains after both the customer host and its  
507 beneficial accounts have been billed for zero kilowatt hours related  
508 solely to the generation service charges on such billings through

509 virtual net metering;

510 (4) "Virtual net metering" means the process of combining the  
511 electric meter readings and billings, including any virtual net metering  
512 credits, for a customer host and a beneficial account through an electric  
513 distribution company billing process related solely to the generation  
514 service charges on such billings;

515 (5) "Virtual net metering credit" means a credit equal to the retail  
516 cost per kilowatt hour the customer host may have otherwise been  
517 charged for each kilowatt hour produced by a virtual net metering  
518 facility that exceeds the total amount of kilowatt hours used during an  
519 electric distribution company monthly billing period; and

520 (6) "Virtual net metering facility" means a Class I renewable energy  
521 source that: (A) Is [served by an] connected to the electric distribution  
522 [company] system; (B) is owned or leased by a customer host and  
523 serves the electricity needs of the customer host and its beneficial  
524 accounts; [(B)] (C) is within the same electric distribution company  
525 service territory as the customer host and its beneficial accounts; and  
526 [(C)] (D) has a nameplate capacity rating of two megawatts or less.

527 (b) Each electric distribution company shall provide virtual net  
528 metering to its municipal customers and shall make any necessary  
529 interconnections for a virtual net metering facility. Upon request by a  
530 municipal customer host to implement the provisions of this section,  
531 an electric distribution company shall install metering equipment, if  
532 necessary. For each municipal customer host, such metering  
533 equipment shall (1) measure electricity consumed from the electric  
534 distribution company's facilities; (2) deduct the amount of electricity  
535 produced but not consumed; and (3) register, for each monthly billing  
536 period, the net amount of electricity produced and, if applicable,  
537 consumed. If, in a given monthly billing period, a municipal customer  
538 host supplies more electricity to the electric distribution system than  
539 the electric distribution company delivers to the municipal customer  
540 host, the electric distribution company shall bill the municipal

541 customer host for zero kilowatt hours of generation and assign a  
542 virtual net metering credit to the municipal customer host's beneficial  
543 accounts for the next monthly billing period. Such credit shall be  
544 applied against the generation service component of the beneficial  
545 account. Such credit shall be allocated among such accounts in  
546 proportion to their consumption for the previous twelve billing  
547 periods.

548 (c) An electric distribution company shall carry forward any  
549 unassigned virtual net metering generation credits earned by the  
550 municipal customer host from one monthly billing period to the next  
551 until the end of the calendar year. At the end of each calendar year, the  
552 electric distribution company shall compensate the municipal  
553 customer host for any unassigned virtual net metering generation  
554 credits at the rate the electric distribution company pays for power  
555 procured to supply standard service customers pursuant to section 16-  
556 244c, as amended by this act.

557 (d) At least sixty days before a municipal customer host's virtual net  
558 metering facility becomes operational, the municipal customer host  
559 shall provide written notice to the electric distribution company of its  
560 beneficial accounts. The municipal customer host may change its list of  
561 beneficial accounts not more than once annually by providing another  
562 sixty days' written notice. The municipal customer host shall not  
563 designate more than five beneficial accounts.

564 (e) On or before February 1, 2012, the Department of Energy and  
565 Environmental Protection shall conduct a proceeding to develop the  
566 administrative processes and program specifications, including, but  
567 not limited to, a cap of one million dollars per year apportioned to  
568 each electric distribution company based on consumer load for credits  
569 provided to beneficial accounts pursuant to subsection (c) of this  
570 section and payments made pursuant to subsection (d) of this section.

571 (f) On or before January 1, 2013, and annually thereafter, each  
572 electric distribution company shall report to the department on the

573 cost of its virtual net metering program pursuant to this section and  
574 the department shall combine such information and report it annually,  
575 in accordance with the provisions of section 11-4a, to the joint standing  
576 committee of the General Assembly having cognizance of matters  
577 relating to energy.

578       Sec. 17. (NEW) (*Effective October 1, 2012*) (a) There is established a  
579 Division of Enforcement within the Public Utilities Regulatory  
580 Authority that shall review and investigate any potential violations of  
581 title 16 of the general statutes or orders made and regulations adopted  
582 by the authority or the Connecticut Siting Council pursuant to said  
583 title, including noncompliance with any order or decision issued by  
584 the authority for any docket.

585       (b) The division may, as it deems necessary, conduct investigations  
586 and hearings in aid of any investigation if said authority believes that  
587 any (1) public service company or its officers, agents or employees, (2)  
588 electric supplier or person providing electric generation services  
589 without a license in violation of section 16-245 of the general statutes  
590 or its officers, agents or employees, (3) certified telecommunications  
591 provider or person providing telecommunications services without  
592 authorization pursuant to sections 16-247 to 16-247f, inclusive, of the  
593 general statutes or its officers, agents or employees, (4) person, public  
594 agency or public utility, as such terms are defined in section 16-345 of  
595 the general statutes, subject to the requirements of chapter 293 of the  
596 general statutes, (5) person subject to the registration requirements  
597 under section 16-258a of the general statutes, (6) cellular mobile  
598 telephone carrier, as described in section 16-250b of the general  
599 statutes, (7) Connecticut electric efficiency partner, as defined in  
600 section 16-243v of the general statutes, (8) company, as defined in  
601 section 16-49 of the general statutes, or (9) person who owns, operates  
602 or constructs a facility, as defined in section 16-50i of the general  
603 statutes, has violated any provision of title 16 of the general statutes or  
604 any order made or regulation adopted by the authority or the council  
605 pursuant to said title, including noncompliance with any order or

606 decision issued by the authority for any docket. The division, pursuant  
607 to any such investigation or hearing, may administer oaths and take  
608 testimony, cause depositions to be taken, order production of books,  
609 papers and documents and issue subpoenas. If any person or entity  
610 disobeys such process or, having appeared in obedience thereto,  
611 refuses to answer any pertinent question put to such person or entity  
612 by the division or to produce any books, papers or documents  
613 pursuant thereto, the authority may apply to the Superior Court,  
614 setting forth such disobedience to process or refusal to answer and the  
615 court shall cite such person or entity to appear before the court to  
616 answer each such question or to produce such books, papers or  
617 documents and, upon the refusal of such person or entity so to do, the  
618 court may make such order as may be appropriate to aid in the  
619 enforcement of this section.

620 (c) If the division determines, after such investigation or hearing,  
621 that such person or entity has violated any provision of title 16 of the  
622 general statutes or any order made or regulation adopted by the  
623 authority or the council pursuant to said title, or has failed to comply  
624 with any order or decision issued by the authority for any docket, the  
625 division may recommend that the authority assess a civil penalty  
626 against such person or entity pursuant to section 16-41 of the general  
627 statutes, as amended by this act.

628 (d) Not later than one year after the authority issues any order or  
629 decision for any docket, and annually thereafter, the division shall  
630 review such order or decision to determine whether there has been  
631 compliance with such order or decision. If the division determines,  
632 pursuant to such review, that any person or entity has failed to comply  
633 with such order or decision it may (1) commence an investigation of  
634 such noncompliance, pursuant to this section, or (2) recommend that  
635 the authority assess a civil penalty against such person or entity  
636 pursuant to section 16-41 of the general statutes, as amended by this  
637 act.

638 Sec. 18. Subsection (d) of section 16a-3a of the 2012 supplement to  
639 the general statutes is repealed and the following is substituted in lieu  
640 thereof (*Effective from passage*):

641 (d) The integrated resources plan shall consider: (1) Approaches to  
642 maximizing the impact of demand-side measures; (2) the extent to  
643 which generation needs can be met by renewable and combined heat  
644 and power facilities; (3) the optimization of the use of generation sites  
645 and generation portfolio existing within the state; (4) fuel types,  
646 diversity, availability, firmness of supply and security and  
647 environmental impacts thereof, including impacts on meeting the  
648 state's greenhouse gas emission goals; (5) reliability, peak load and  
649 energy forecasts, system contingencies and existing resource  
650 availabilities; (6) import limitations and the appropriate reliance on  
651 such imports; (7) the impact of the procurement plan on the costs of  
652 electric customers; and (8) the effects on participants and  
653 nonparticipants. Such plan shall include options for lowering the rates  
654 and cost of electricity. Such plan shall take into account the  
655 comprehensive plan to implement cost-effective energy conservation  
656 programs and market transformation initiatives developed pursuant to  
657 section 16-245m, as amended by this act. The Department of Energy  
658 and Environmental Protection shall hold a public hearing on such  
659 integrated resources plan pursuant to chapter 54. [The commissioner  
660 may approve or reject such plan with comments.] The Public Utilities  
661 Regulatory Authority shall initiate a docket to approve or reject such  
662 integrated resources plan.

663 Sec. 19. Section 16-5 of the general statutes is repealed and the  
664 following is substituted in lieu thereof (*Effective from passage*):

665 Misconduct, material neglect of duty, incompetence in the conduct  
666 of his office or active participation in political management or  
667 campaigns by any [commissioner] director of the Public Utilities  
668 Regulatory Authority shall constitute cause for removal. Such removal  
669 shall be made only after judgment of the Superior Court rendered

670 upon written complaint of the Attorney General. The Attorney General  
 671 may file such complaint in his discretion and shall file such complaint  
 672 if so directed by the Governor. Upon the filing of such complaint, a  
 673 rule to show cause shall issue to the accused, who may make any  
 674 proper answer within such time as the court may limit and shall have  
 675 the right to be heard in his own defense and by witnesses and counsel.  
 676 The procedure upon such complaint shall be similar to that in civil  
 677 actions, but such complaint shall be privileged in order of trial and  
 678 shall be heard as soon as practicable. If, after hearing, the court finds  
 679 cause for removal, it shall render judgment to that effect, and  
 680 thereupon the office of such [commissioner] director shall become  
 681 vacant.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2012</i>	16-2(a)
Sec. 2	<i>July 1, 2012</i>	16-2(f)
Sec. 3	<i>July 1, 2012</i>	4-67e
Sec. 4	<i>July 1, 2012</i>	16-6b
Sec. 5	<i>July 1, 2012</i>	16-7
Sec. 6	<i>July 1, 2012</i>	16-245m(c)
Sec. 7	<i>July 1, 2012</i>	16-245m(d)
Sec. 8	<i>July 1, 2012</i>	16-244c(i)
Sec. 9	<i>July 1, 2012</i>	16-244c(l)
Sec. 10	<i>July 1, 2012</i>	16-245d(a)
Sec. 11	<i>July 1, 2012</i>	16-41(a)
Sec. 12	<i>July 1, 2012</i>	16-244c(c)(3)
Sec. 13	<i>July 1, 2012</i>	16-244m(a)
Sec. 14	<i>from passage</i>	New section
Sec. 15	<i>from passage</i>	New section
Sec. 16	<i>July 1, 2012</i>	16-244u
Sec. 17	<i>October 1, 2012</i>	New section
Sec. 18	<i>from passage</i>	16a-3a(d)
Sec. 19	<i>from passage</i>	16-5

**Statement of Purpose:**

To establish the autonomy of the Public Utilities Regulatory Authority.

*[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.]*