
OLR Bill Analysis

sHB 5542

AN ACT CONCERNING CONSUMER PROTECTION FOR UTILITY CUSTOMERS.

SUMMARY:

This bill limits, to \$350,000 annually, the maximum amount of compensation for utility company officers and employees that can come from ratepayers. It expands disclosure requirements for the compensation paid to utility officers and employees.

The bill requires electric companies to reimburse low- or moderate-income customers or those who receive food or energy assistance for losses to food or refrigerated medications that result from an outage that lasts more than 48 hours. It caps the reimbursement at \$150 for food and \$200 for medications. It pays for this provision with the systems benefit charge on electric bills.

The bill requires utility companies, certain cable TV companies, competitive electric suppliers, and telecommunications company to:

1. waive late fees for their customers if the due date for a bill occurs during any period when the customer was without service for more than 24 hours and
2. credit the monthly bill of any customer if the company fails to provide service to the customer for more than 24 consecutive hours during any monthly billing period.

These provisions do not apply if the outage was due to the customer's nonpayment. The late fee provision does not bar a company from assessing a late fee for subsequent monthly bills. The credit must equal the customer's daily service charges and fixed charges multiplied by the number of days the company failed to provide service to the customer. These provisions apply to cable

companies with certificates of video franchise authority (e.g., AT&T). They do not apply to other companies that hold certificates of cable franchise authority, i.e., most of the cable companies. Very similar credit requirements apply to all cable companies under existing law.

EFFECTIVE DATE: Upon passage

COMPENSATION FOR UTILITY EXECUTIVES

The bill bars utility companies and holding companies that control utility companies from compensating any director, officer, executive or employee more than \$350,000 per year using funds received from ratepayers of the utility company. It bars the companies from increasing the level of compensation of any of these individuals above this amount based on his or her employment by more than one utility or holding company. This provision does not affect the amount of compensation from shareholder funds.

Under current law, each utility company with at least 3,300 customers must, by July 1 annually, submit a list of the salaries of its directors and officers to the Public Utilities Regulatory Authority (PURA). This requirement does not apply if the company has already filed a Securities and Exchange Commission Form 10-K, Part III with the authority pursuant PURA's order. All companies with more than 3,300 customers must at least annually include a bill insert that informs that they can obtain the listing from PURA.

The bill extends these requirements to (1) non-salary compensation received by the officers and directors and (2) officers and directors of holding companies that control utility companies. It eliminates the exception for companies that file the 10-K form.

REIMBURSEMENT FOR SPOILED FOOD AND MEDICATIONS

To be eligible for the reimbursement:

1. the electric company customer must have a household income of no more than 60% of the state median income at the time of such outage;

2. the customer or a member of his or her household received benefits at the time of the outage from the supplemental food assistance program (SNAP, commonly known as food stamps) or the food assistance program for legal immigrants administered by the Department of Social Services; or
3. the customer's household received assistance from the low-income home energy assistance program not more than 12 months before the outage.

An eligible customer must submit with his or her application an itemized list of any spoiled food items and proof of such spoilage loss. The proof may include, among other things, credit card or bank statements, receipts, or checks demonstrating that the customer bought the food or medications. Upon approving the application, the company must reimburse the customer with a credit on his or her bill.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 14 Nay 7 (03/28/2012)