

The Energy and Technology Committee

Public Hearing, March 5, 2013

Office of Consumer Counsel

Elin Swanson Katz, Consumer Counsel

Testimony of Elin Swanson Katz

**Proposed H.B. No. 6470, *An Act Concerning Clarity of
Retail Electric Offering Terms***

The Office of Consumer Counsel (OCC) drafted this provision as part of its legislative package and is pleased to support it before the Energy and Technology Committee.

I can state both from firsthand experience and based on complaints that I and my staff have read that customers have been confused or misled by short-lived, “teaser” fixed rates offered by retail electric suppliers and the accompanying fine print. Some retail offerings provide for a fixed rate that lasts as little as one month before the customer moves to a variable rate, but the offering is not always clear that the fixed rate may only last for a very short time.

This issue is of particular concern because it may take time for customers to become aware of a variable rate that is considerably higher than a short-term fixed rate. Even if a customer is diligent, a variable rate may be in effect for a period of time on a customer bill before a customer has a reasonable chance to notice the change.

Accordingly, this bill would establish a simple fix, whereby the retail supplier would have to indicate in its advertising the length of a fixed price offering as prominently as the price term of the offer, in terms of font size and color. In this way,

customers will be properly informed when savings estimates or other aspects of the fixed price term will expire.

Retail electricity offerings can be difficult enough for customers to understand already. Customers should not have to dig through fine print to get basic information about a fixed price offering.