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TESTIMONY OF
ATTORNEY GENERAL GEORGE JEPSEN
BEFORE THE ENERGY AND TECHNOLOGY COMMITTEE
MARCH 5, 2013

I appreciate the opportunity to support House Bill 6470, *An Act Concerning Clarity of Retail Electric Offering Terms*. This bill would require electric suppliers and aggregators to indicate, in all advertisements and disclosures that include an advertised price, the expiration of the term of such advertised price using the same font size and color as is used for the advertised price.

This proposal is intended to address a growing problem among certain electric suppliers. These companies offer an initial teaser rate that is lower than the standard service, but expires – sometimes after just one month. Suppliers promise customers that they will "lower their bill" or "save money." After one month, however, customers are placed on a new, variable rate that is generally much higher than the standard service rate. The information indicating that suppliers may do this, however, is hidden in the fine print of the advertisement. Our office has received many complaints from rightfully angry consumers who felt they have been deceived by misleading advertising. This bill would require these suppliers to more fully disclose the terms and conditions of their offers.

My only suggestion with respect to the underlying bill is to amend subsection (B) to provide as follows: <u>(B) clearly and conspicuously indicate, in any advertisement or disclosure that includes an advertised price, the expiration of the term of such advertised price using the same font size and color as is used for the advertised price.</u> I suggest this change to make clearer that the concept of "clear and conspicuous disclosure," a bedrock concept of consumer protection law, has been fully incorporated into this important disclosure statute.

Thank you once again for the opportunity to support this important measure. Please feel free to contact me with any questions or concerns you have with this bill or my suggested changes.