
OLR Bill Analysis

sHB 6473 (as amended by House "A")*

AN ACT CONCERNING THE PUBLIC UTILITIES REGULATORY AUTHORITY, WHISTLEBLOWER PROTECTION, THE PURCHASED GAS ADJUSTMENT CLAUSE, ELECTRIC SUPPLIER DISCLOSURE REQUIREMENTS, THE CALL BEFORE YOU DIG PROGRAM, AND MINOR AND TECHNICAL CHANGES TO THE UTILITY STATUTES.

SUMMARY:

This bill makes several unrelated changes in the energy statutes. Among other things, it requires electric suppliers to notify residential customers of rate changes 30 to 60 days before their fixed rate term expires. It also establishes disclosure requirements for suppliers offering power generated from certain renewable energy sources.

The bill transfers several regulatory powers from the Department of Energy and Environmental Protection (DEEP) to the Public Utilities Regulatory Authority (PURA), which is within DEEP. It also makes administrative changes to the process by which PURA reviews gas and electric company charges and credits made under the adjustment clauses for purchased gas, energy, and transmission rates.

By law, a utility company cannot threaten or retaliate against an employee who reported the company's malfeasance or illegal activities. Current law allows employees who feel they are being retaliated against to file a complaint with PURA, which must issue a preliminary finding within 30 days. Starting July 1, 2013, the bill extends this deadline from 30 to 90 days. It also expands PURA's enforcement powers to include ordering the company to pay the employee back pay or attorney's fees. Existing law, unchanged by the bill, allows PURA to issue orders and impose civil penalties.

Current law requires utility companies to notify their customers of a proposed rate amendment by mail at least one week before a public hearing on the amendment. The bill limits how early the notice can be

issued to no earlier than six weeks before the first public hearing. It also requires the notice to include (1) the date, time, and location of any scheduled hearing and (2) a statement that customers can appear at the hearing or provide written comments on the proposal to PURA. It allows PURA to hold more than one hearing on a proposed rate amendment.

The bill also makes several minor, technical, and conforming changes.

*House Amendment "A" removes the original bill's provisions regarding (1) the "Call Before You Dig" program; (2) DEEP's Division of Adjudication; and (3) a prohibition on suppliers selling renewable energy from sources other than Class I, II, or III energy sources. It also narrows the circumstances under which an electric supplier must provide advance notice of rate changes. It also makes minor changes.

EFFECTIVE DATE: October 1, 2013, except for the provisions regarding (1) whistleblower protection, which are effective July 1, 2013, and (2) changes to PURA's regulatory power over (a) electric supplier defaults and billing, (b) electric company reliability reports, and (c) management audits and consultants, all of which are effective upon passage.

§11 — ELECTRIC SUPPLIERS

Rate Disclosure

The bill requires an electric supplier to provide its residential customers with written notification of any changes to the customer's electric generation rate 30 to 60 days before the customer's fixed price term expires.

Starting January 1, 2014, when electric suppliers, aggregators, or their agents are advertising or disclosing electricity prices, the bill requires them to indicate the advertised price's expiration terms in at least a 10-point font size in a conspicuous part of the ad or disclosure.

Renewable Energy Disclosure

The law's renewable portfolio standard (RPS) requires electric

suppliers to obtain a certain portion of their power from Class I (e.g., solar or wind), Class II (e.g., certain biomass or trash-to-energy), and Class III (e.g., certain cogeneration or energy conservation) energy sources. Existing law limits electric suppliers' renewable energy advertising to their renewable energy that exceeds the Class I and Class II RPS requirements. The bill extends this advertising limit to include the Class III RPS requirement.

Under the bill, any electric supplier offering any services or products containing renewable energy attributes other than those used to meet the Class I and II RPS requirements must disclose the service's or product's renewable energy content in its customer contracts and marketing materials. The supplier must also make information sufficient to substantiate its renewable energy marketing claims available on its web site.

Regulatory Power Over Suppliers Transferred from DEEP to PURA

Starting October 1, 2013, the bill transfers from DEEP to PURA the authority to:

1. approve the form on which customers can opt out of having their contact and rate class information shared with electric suppliers;
2. determine the reasonable amount of time in which electric companies must provide suppliers with updated customer lists;
3. receive copies of customer contracts and records from suppliers;
4. penalize suppliers that violate the law's restrictions on using customer information, promotional inserts, disclosure requirements, and procedures for entering and terminating service contracts; and
5. make regulations on suppliers' abusive switching practices, solicitations, and renewals.

§§ 1, 2, 8, 10, 12, & 13 — PURA

Upon the bill's enactment, the bill transfers several regulatory powers from DEEP to PURA. It requires PURA, instead of DEEP, to make regulations on how to notify customers when an electric supplier defaults. It also requires this notice to include the option to return to standard service.

The bill requires PURA, instead of DEEP, to make regulations on (1) the standard billing format for electric service and (2) direct customer billing and collection services from electric suppliers. It extends the deadline for PURA to report on its study of supplier direct billing from February 1, 2012 to October 1, 2013 and allows PURA to submit the report to the Energy and Technology Committee electronically.

It also requires PURA, instead of DEEP, to (1) determine what storms and scheduled outages are not included in electric company reliability reports and (2) prepare an annual report on electric supplier licenses. It allows PURA to submit this report to the Energy and Technology Committee electronically.

Current law allows PURA to hire, within available appropriations, consultants to perform management audits on the utility companies it regulates. However, funding for the audits comes from an assessment on regulated utilities, not legislative appropriations. The bill removes the available appropriations limit and allows PURA to electronically submit its annual report on the audits to the General Assembly.

§ 5 — ADJUSTMENT CLAUSE REVIEW

By law, PURA can approve an energy adjustment clause for electric companies and a purchased gas adjustment clause for gas companies. These clauses adjust rates for such things as changes in the cost of purchased power and natural gas. They can include a provision allowing an electric or gas company to charge or reimburse customers for over- or under-recovery of its overhead or fixed costs due solely to actual sales varying from projected sales.

Current law requires PURA to hold a public hearing once every six months to determine if the charges or credits made under the

adjustment clauses reflect actual prices. The bill decreases the hearing frequency to once every year, but requires PURA to hold a hearing upon the Office of Consumer Counsel's application. Under existing law, unchanged by the bill, PURA can also hold such a hearing whenever it deems it necessary.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 23 Nay 0 (03/21/2013)

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 50 Nay 0 (05/01/2013)

Judiciary Committee

Joint Favorable

Yea 35 Nay 0 (05/14/2013)