



**State of Connecticut**  
**SENATOR DONALD E. WILLIAMS, JR.**  
*Twenty-ninth District*  
**President Pro Tempore**

**Testimony before the Energy and Technology Committee**

**In Support of S.B. 2, AAC Electric Customer Consumer Protection  
February 20, 2014**

Senator Duff, Representative Reed, distinguished members of the Energy and Technology Committee; I appear before you today to thank you for raising S.B. 2, AAC Electric Customer Consumer Protection, and to express my wholehearted support of the bill.

One goal of electric supplier deregulation was to give consumers more choice in their electric suppliers and accordingly, more opportunities for savings. As of September 2012, over 700,000 customers have chosen a private supplier, including more than 90% of large industrial customers, while another 800,000 customers have not and remain with the standard offer.

Shopping for a competitive electric supplier can, and has, provided significant savings to electric customers, but the process of doing so can often prove confusing, especially to residential customers. Recently it has become apparent that many consumers are not saving, and in fact, are paying many times more than the "standard offer" rate.

Over the last several months I have heard numerous stories of consumers who are confused about the process, unable to make informed choices and at worst, have been misled about their electric rate and the terms of their contracts. Many private suppliers advertise low introductory "teaser" rates of a limited duration, which quickly increase in future months. Customer rates often skyrocket with little if any notice, and no ability to cancel without paying a penalty. Some private supplier contracts contain auto-renewal provisions that are buried in fine print. Private supplier rates and contract terms often change over time, and the full terms of offers are not now available for comparison in a uniform, easy-to-read format.

In fact, as a result of receiving a flood of consumer complaints about electric suppliers, the Public Utilities Regulatory Authority (PURA) recognized that a problem exists and opened a docket to investigate the issue (Docket No. 13-07-18, Establishment of Rules for Electric Suppliers and EDCs Concerning Operations and Marketing in the Electric Retail Market). PURA will be holding a series of public hearings around the state over the next month or two (the first of which was last evening). I would encourage the committee to listen to the feedback from the public and to take this into consideration as the session, and hopefully this bill, moves forward. I would note that the committee should not wait for PURA to rule on the docket before taking action on this issue. This is a very real and urgent problem that is costing Connecticut consumers each and every day.

To address this problem, I would propose a series of consumer protections bring transparency to electric rates will help consumers make informed, cost-conscious decisions. The proposals fall into three primary areas:

- Clear disclosures and capping of fees on consumers;
- Fair and open marketing practices; and
- Licensing and Enforcement.

With clearer, easier-to-access information on private supplier offers, customers will be better equipped to make the best possible decisions. Consumers will be protected from deceptive marketing practices and suppliers will be held accountable if they mislead customers.

The competitive market can work for the benefit of Connecticut families and businesses only when our consumers are empowered with the information necessary to make the choices that meet their needs and maximize their savings.