



General Assembly

January Session, 2015

**Committee Bill No. 573**

LCO No. 5444



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:  
(ET)

***AN ACT CONCERNING VARIABLE ELECTRIC RATES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (d) of section 16-245d of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2015*):

4 (d) From [June 3, 2014, and until one year after June 3, 2014] October  
5 1, 2015, to October 1, 2016, inclusive, each electric supplier shall, on a  
6 quarterly basis, include the following items in a mailing to each  
7 residential customer receiving electric generation service from such  
8 supplier: (1) The electric generation service rate; (2) the term and  
9 expiration date of such rate; (3) any change to such rate effective for  
10 the next billing cycle; (4) the cancellation fee, if applicable, provided  
11 there is such a change; (5) [notification that such rate is variable, if  
12 applicable; (6)] the standard service rate; [(7)] (6) the term and  
13 expiration date of the standard service rate; and [(8)] (7) the dollar  
14 amount that would have been billed for the electric generation services  
15 component had the customer been receiving standard service.

16 Sec. 2. Section 16-245o of the general statutes is repealed and the

17 following is substituted in lieu thereof (*Effective October 1, 2015*):

18 (a) To protect a customer's right to privacy from unwanted  
19 solicitation, each electric distribution company shall distribute to each  
20 customer a form approved by the Public Utilities Regulatory Authority  
21 which the customer shall submit to the customer's electric distribution  
22 company in a timely manner if the customer does not want the  
23 customer's name, address, telephone number and rate class to be  
24 released to electric suppliers. Each electric distribution company shall  
25 make available to all electric suppliers customer names, addresses,  
26 telephone numbers, if known, and rate class, unless the electric  
27 distribution company has received a form from a customer requesting  
28 that such information not be released. Additional information about a  
29 customer for marketing purposes shall not be released to any electric  
30 supplier unless a customer consents to a release by one of the  
31 following: (1) An independent third-party telephone verification; (2)  
32 receipt of a written confirmation received in the mail from the  
33 customer after the customer has received an information package  
34 confirming any telephone agreement; (3) the customer signs a  
35 document fully explaining the nature and effect of the release; or (4)  
36 the customer's consent is obtained through electronic means,  
37 including, but not limited to, a computer transaction.

38 (b) All electric suppliers shall have equal access to customer  
39 information required to be disclosed under subsection (a) of this  
40 section. No electric supplier shall have preferential access to historical  
41 distribution company customer usage data.

42 (c) No electric distribution company shall include in any bill or bill  
43 insert anything that directly or indirectly promotes a generation entity  
44 or affiliate of the electric distribution company. No electric supplier  
45 shall include a bill insert in an electric bill of an electric distribution  
46 company.

47 (d) All marketing information provided pursuant to the provisions  
48 of this section shall be formatted electronically by the electric

49 distribution company in a form that is readily usable by standard  
50 commercial software packages. Updated lists shall be made available  
51 within a reasonable time, as determined by the authority, following a  
52 request by an electric supplier. Each electric supplier seeking the  
53 information shall pay a fee to the electric distribution company which  
54 reflects the incremental costs of formatting, sorting and distributing  
55 this information, together with related software changes. Customers  
56 shall be entitled to any available individual information about their  
57 loads or usage at no cost.

58 (e) On or before January 1, [2015] 2016, the Public Utilities  
59 Regulatory Authority shall [initiate a] reopen the contested proceeding  
60 referred to as "docket number 13-07-18" to revise its final decision in  
61 accordance with this subsection. The authority shall reopen the  
62 contested proceeding to develop a standard summary form of the  
63 material terms and conditions of the contract for electric generation  
64 services signed by a residential customer. Such form shall include, but  
65 not be limited to, the following: (1) A description of the rate the  
66 customer will be paying; (2) [whether] a notice that such rate is a fixed  
67 [or variable] rate; (3) the term and expiration date of such rate; (4)  
68 whether the contract will automatically renew; (5) a notice describing  
69 the customer's right to cancel the service, as provided in this section;  
70 (6) information on air emissions and resource mix of generation  
71 facilities operated by and under long-term contract to the electric  
72 supplier; (7) the trade name of the electric supplier; (8) the toll-free  
73 telephone number for customer service of the electric supplier; (9) the  
74 Internet web site of the electric supplier; and (10) the toll-free  
75 telephone number for customer complaints of the authority.

76 (f) (1) Until the standard summary form described in subsection (e)  
77 of this section is developed, each electric supplier shall, prior to the  
78 initiation of electric generation services, provide the potential  
79 residential customer with a written notice describing the rates,  
80 information on air emissions and resource mix of generation facilities  
81 operated by and under long-term contract to the supplier, terms and

82 conditions of the service, and a notice describing the customer's right  
83 to cancel the service, as provided in this section. After development of  
84 such standard summary form, each electric supplier shall, prior to  
85 initiation of electric generation services, provide the potential  
86 residential customer with a completed standard summary form. Each  
87 electric supplier shall, prior to the initiation of electric generation  
88 services, provide the potential commercial or industrial customer with  
89 a written notice describing the rates, information on air emissions and  
90 resource mix of generation facilities operated by and under long-term  
91 contract to the supplier, terms and conditions of the service, and a  
92 notice describing the customer's right to cancel the service, as provided  
93 in this section.

94 (2) No electric supplier shall provide electric generation services  
95 unless the customer has signed a service contract or consents to such  
96 services by one of the following: (A) An independent third-party  
97 telephone verification; (B) receipt of a written confirmation received in  
98 the mail from the customer after the customer has received an  
99 information package confirming any telephone agreement; (C) the  
100 customer signs a contract that conforms with the provisions of this  
101 section; or (D) the customer's consent is obtained through electronic  
102 means, including, but not limited to, a computer transaction. Each  
103 electric supplier shall provide each customer with a demand of less  
104 than one hundred kilowatts, a written contract that conforms with the  
105 provisions of this section and maintain records of such signed service  
106 contract or consent to service for a period of not less than two years  
107 from the date of expiration of such contract, which records shall be  
108 provided to the authority or the customer upon request. Each contract  
109 for electric generation services shall contain all material terms of the  
110 agreement, a clear and conspicuous statement explaining the rates that  
111 such customer will be paying, including the circumstances under  
112 which the rates may change, a statement that provides specific  
113 directions to the customer as to how to compare the price term in the  
114 contract to the customer's existing electric generation service charge on  
115 the electric bill and how long those rates are guaranteed. Such contract

116 shall also include a clear and conspicuous statement providing the  
117 customer's right to cancel such contract not later than three days after  
118 signature or receipt in accordance with the provisions of this  
119 subsection, describing under what circumstances, if any, the supplier  
120 may terminate the contract and describing any penalty for early  
121 termination of such contract. Each contract shall be signed by the  
122 customer, or otherwise agreed to in accordance with the provisions of  
123 this subsection. A customer who has a maximum demand of five  
124 hundred kilowatts or less shall, until midnight of the third business  
125 day after the latter of the day on which the customer enters into a  
126 service agreement or the day on which the customer receives the  
127 written contract from the electric supplier as provided in this section,  
128 have the right to cancel a contract for electric generation services  
129 entered into with an electric supplier.

130 (g) (1) Between thirty and sixty days, inclusive, prior to the  
131 expiration of a fixed price term for a residential customer, an electric  
132 supplier shall provide a written notice to such customer of any change  
133 to the customer's electric generation price. Such residential customer  
134 shall select the method of written notice at the time the contract is  
135 signed or verified through third-party verification as described in  
136 subdivision (2) of subsection (f) of this section. Such selection shall  
137 include the option for written notice through United States mail,  
138 electronic mail, text message, an application on a cellular telephone or  
139 a third-party notification service approved by the authority. Such  
140 customer shall have the option to change the method of notification at  
141 any time during the contract.

142 (2) [No electric supplier shall] On and after October 1, 2015, no  
143 electric supplier shall (A) enter into a contract to charge a residential  
144 customer a variable rate for electric generation services; (B)  
145 automatically renew or cause to be automatically renewed a contract  
146 with a residential customer and, pursuant to such contract, charge  
147 such customer a variable rate for electric generation services; (C) offer  
148 to supply generation services to a residential customer at a variable

149 rate; or (D) charge a residential customer [month-to-month variable  
150 rates] a variable rate for electric generation services following the  
151 expiration of a contract, [entered into after June 3, 2014, without  
152 providing written notification to such residential customer forty-five  
153 days prior to the commencement of such month-to-month variable  
154 rates. Such notice shall include the highest and lowest electric  
155 generation service rate charged by such supplier as part of a variable  
156 rate offer in each of the preceding twelve months to any customer  
157 eligible for standard service. The residential customer shall select the  
158 method of written notification at the time the contract is signed or  
159 verified through third-party verification as described in subdivision (2)  
160 of subsection (f) of this section. Such selection shall include the option  
161 for written notice through United States mail, electronic mail, text  
162 messages, an application on a cellular telephone or a third-party  
163 notification service approved by the authority. Such customer shall  
164 have the option to change the method of notification at any time  
165 during the contract.]

166 (3) No electric supplier shall charge an electric generation service  
167 rate to a residential customer that is twenty-five per cent more than the  
168 original contract price of a contract entered into on or after [June 6,  
169 2014] October 1, 2015, without notifying such customer of the rate  
170 change [fifteen] forty-five days before it takes effect. [, provided such  
171 notice shall only be required for the first instance such rate is twenty-  
172 five per cent more than the original contract price.] After such [one-  
173 time] notice, no electric supplier shall charge an electric generation  
174 service rate to a residential customer that is twenty-five per cent more  
175 than the most recent notice of the rate change without notifying such  
176 customer of the rate change [fifteen] forty-five days before it takes  
177 effect. Any notification described in this subdivision shall be provided  
178 pursuant to the method agreed to by the customer in the contract and  
179 may include written notice through United States mail, electronic mail,  
180 text message, an application on a cellular telephone [,] or third-party  
181 notification service approved by the authority.

182 (h) (1) Any third-party agent who contracts with or is otherwise  
183 compensated by an electric supplier to sell electric generation services  
184 shall be a legal agent of the electric supplier. No third-party agent may  
185 sell electric generation services on behalf of an electric supplier unless  
186 (A) the third-party agent is an employee or independent contractor of  
187 such electric supplier, and (B) the third-party agent has received  
188 appropriate training directly from such electric supplier.

189 (2) All sales and solicitations of electric generation services by an  
190 electric supplier, aggregator or agent of an electric supplier or  
191 aggregator to a customer with a maximum demand of one hundred  
192 kilowatts or less conducted and consummated entirely by mail, door-  
193 to-door sale, telephone or other electronic means, during a scheduled  
194 appointment at the premises of a customer or at a fair, trade or  
195 business show, convention or exposition in addition to complying with  
196 the provisions of subsection (e) of this section shall:

197 (A) For any sale or solicitation, including from any person  
198 representing such electric supplier, aggregator or agent of an electric  
199 supplier or aggregator (i) identify the person and the electric  
200 generation services company or companies the person represents; (ii)  
201 provide a statement that the person does not represent an electric  
202 distribution company; (iii) explain the purpose of the solicitation; and  
203 (iv) explain all rates, fees, [variable] charges and terms and conditions  
204 for the services provided; and

205 (B) For door-to-door sales to customers with a maximum demand of  
206 one hundred kilowatts, which shall include the sale of electric  
207 generation services in which the electric supplier, aggregator or agent  
208 of an electric supplier or aggregator solicits the sale and receives the  
209 customer's agreement or offer to purchase at a place other than the  
210 seller's place of business, be conducted (i) in accordance with any  
211 municipal and local ordinances regarding door-to-door solicitations,  
212 (ii) between the hours of ten o'clock a.m. and six o'clock p.m. unless the  
213 customer schedules an earlier or later appointment, and (iii) with both

214 English and Spanish written materials available. Any representative of  
215 an electric supplier, aggregator or agent of an electric supplier or  
216 aggregator shall prominently display or wear a photo identification  
217 badge stating the name of such person's employer or the electric  
218 supplier the person represents and shall not wear apparel, carry  
219 equipment or distribute materials that includes the logo or emblem of  
220 an electric distribution company or contains any language suggesting a  
221 relationship that does not exist with an electric distribution company,  
222 government agency or other supplier.

223 (3) No electric supplier, aggregator or agent of an electric supplier  
224 or aggregator shall (A) advertise or disclose the price of electricity to  
225 mislead a reasonable person into believing that the electric generation  
226 services portion of the bill will be the total bill amount for the delivery  
227 of electricity to the customer's location, or (B) make any statement, oral  
228 or written, suggesting a prospective customer is required to choose a  
229 supplier. When advertising or disclosing the price for electricity, the  
230 electric supplier, aggregator or agent of an electric supplier or  
231 aggregator shall (i) disclose the electric distribution company's current  
232 charges, including the competitive transition assessment and the  
233 systems benefits charge, for that customer class, and (ii) indicate, using  
234 at least a ten-point font size, in a conspicuous part of any  
235 advertisement or disclosure that includes an advertised price, (I) the  
236 expiration of such advertised price, and (II) any fixed or recurring  
237 charge, including, but not limited to, any minimum monthly charge.

238 (4) No entity, including an aggregator or agent of an electric  
239 supplier or aggregator, who sells or offers for sale any electric  
240 generation services for or on behalf of an electric supplier, shall engage  
241 in any deceptive acts or practices in the marketing, sale or solicitation  
242 of electric generation services.

243 (5) Each electric supplier shall disclose to the Public Utilities  
244 Regulatory Authority in a standardized format (A) the amount of  
245 additional renewable energy credits, if any, such supplier will

246 purchase other than required credits, (B) where such additional credits  
247 are being sourced from, and (C) the types of renewable energy sources  
248 that will be purchased. Each electric supplier shall only advertise  
249 renewable energy credits purchased beyond those required pursuant  
250 to sections 16-245a and 16-243q and shall report to the authority the  
251 renewable energy sources of such credits and any changes to the types  
252 of renewable energy sources offered.

253 (6) Any electric supplier offering any services or products that  
254 contain renewable energy attributes other than the minimum  
255 renewable energy credits used for compliance with the renewable  
256 portfolio standards pursuant to section 16-245a shall disclose in each  
257 customer contract and marketing materials for each such service or  
258 product the renewable energy content of the product or service  
259 offering and shall make available, on the electric supplier's Internet  
260 web site, information sufficient to substantiate the marketing claims  
261 about such content.

262 (7) (A) No contract for electric generation services by an electric  
263 supplier shall require a residential customer to pay any fee for  
264 termination or early cancellation of a contract in excess of fifty dollars,  
265 provided when an electric supplier offers a contract, it provides the  
266 residential customer an estimate of such customer's average monthly  
267 bill, and provided further it shall not be considered a termination or  
268 early cancellation of a contract if a residential customer moves from  
269 one dwelling within the state and remains with the same electric  
270 supplier.

271 (B) If a residential customer does not have a contract for electric  
272 generation services with an electric supplier and is receiving a month-  
273 to-month variable rate from such supplier, there shall be no fee for  
274 termination or early cancellation.

275 (8) An electric supplier shall not make a material change in the  
276 terms or duration of any contract for the provision of electric  
277 generation services by an electric supplier without the express consent

278 of the customer. Nothing in this subdivision shall restrict an electric  
279 supplier from renewing a contract by clearly informing the customer,  
280 in writing, not less than thirty days or more than sixty days before the  
281 renewal date, of the renewal terms, including a summary of any new  
282 or altered terms, and of the option not to accept the renewal offer,  
283 provided no fee pursuant to subdivision (7) of this subsection shall be  
284 charged to a customer who terminates or cancels such renewal not  
285 later than seven business days after receiving the first billing statement  
286 for the renewed contract.

287 (9) Each electric supplier shall file annually with the authority a list  
288 of any aggregator or agent working on behalf of such supplier.

289 (10) Each electric supplier shall develop and implement standards  
290 and qualifications for employees and third-party agents who are  
291 engaged in the sale or solicitation of electric generation services by  
292 such supplier.

293 (i) Each electric supplier, aggregator or agent of an electric supplier  
294 or aggregator shall comply with the provisions of the telemarketing  
295 regulations adopted pursuant to 15 USC 6102.

296 (j) Any violation of this section shall be deemed an unfair or  
297 deceptive trade practice under subsection (a) of section 42-110b. Any  
298 contract for electric generation services that the authority finds to be  
299 the product of unfair or deceptive marketing practices or in material  
300 violation of the provisions of this section shall be void and  
301 unenforceable. Any waiver of the provisions of this section by a  
302 customer of electric generation services shall be deemed void and  
303 unenforceable by the electric supplier.

304 (k) Any violation or failure to comply with any provision of this  
305 section shall be subject to (1) civil penalties by the authority in  
306 accordance with section 16-41, (2) the suspension or revocation of an  
307 electric supplier or aggregator's license, or (3) a prohibition on  
308 accepting new customers following a hearing that is conducted as a

309 contested case in accordance with chapter 54.

310 (l) (1) The authority may adopt regulations, in accordance with the  
311 provisions of chapter 54, to include, but not be limited to, abusive  
312 switching practices, solicitations and renewals by electric suppliers,  
313 provided the authority shall alter or repeal any relevant regulations in  
314 conjunction with the development and implementation of the  
315 standards and practices described in subdivision (2) of this subsection.

316 (2) On or before July 1, [2014] 2016, the authority shall [initiate a]  
317 reopen the contested proceeding referred to as "docket number 14-07-  
318 20" and revise its decision in accordance with this subdivision, to  
319 develop and implement, or cause to be implemented, standards  
320 relating to abusive switching practices, solicitations and renewals by  
321 electric suppliers, the hiring and training of sales representatives, door-  
322 to-door sales and telemarketing practices by electric suppliers. Such  
323 docket shall examine a disclosure statement for all electric suppliers to  
324 use on all promotional materials directed to residential customers that  
325 will direct consumers where they can find the highest and lowest  
326 electric generation service rate charged by such supplier [as part of a  
327 variable rate offer] in each of the preceding twelve months to any  
328 customer eligible for standard service. The authority shall issue a final  
329 decision on such docket not later than six months after its initiation.

330 (m) The Public Utilities Regulatory Authority may initiate a docket  
331 to review the feasibility, costs and benefits of placing on standard  
332 service all customers of all electric suppliers (1) who are hardship cases  
333 for purposes of subdivision (3) of subsection (b) of section 16-262c, (2)  
334 having moneys due and owing deducted from such customers' bills by  
335 the electric distribution company pursuant to subdivision (4) of  
336 subsection (b) of section 16-262c, (3) receiving other financial assistance  
337 from an electric distribution company, or (4) who are otherwise  
338 protected by law from shutoff of electricity services. Notwithstanding  
339 the provisions of section 16-245r, the authority may, in a final decision  
340 issued pursuant to this subsection, order all such customers to be

341 placed on standard service. If the authority issues such an order, it  
342 shall reopen such docket not less than every two years.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2015	16-245d(d)
Sec. 2	October 1, 2015	16-245o

**Statement of Purpose:**

To ban variable rates charged to residential electric customers for electric generation services.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*

Co-Sponsors: SEN. LOONEY, 11th Dist.; SEN. BARTOLOMEO, 13th Dist.  
SEN. COLEMAN, 2nd Dist.; SEN. CRISCO, 17th Dist.  
SEN. FLEXER, 29th Dist.; SEN. GERRATANA, 6th Dist.  
SEN. LARSON, 3rd Dist.; SEN. MOORE, 22nd Dist.  
SEN. OSTEN, 19th Dist.; SEN. WINFIELD, 10th Dist.  
SEN. SLOSSBERG, 14th Dist.; REP. STEINBERG, 136th Dist.  
REP. WILLIS, 64th Dist.; REP. ZONI, 81st Dist.  
REP. CONROY, 105th Dist.

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