



House of Representatives

General Assembly

File No. 455

January Session, 2015

House Bill No. 5469

House of Representatives, April 7, 2015

The Committee on Energy and Technology reported through REP. REED of the 102nd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT REQUIRING MUNICIPAL ELECTRIC UTILITIES TO RETURN CORPORATE SECURITY DEPOSITS.

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

1 Section 1. Section 7-222 of the general statutes is amended by adding
2 subsection (c) as follows (*Effective October 1, 2015*):

3 (NEW) (c) Each municipal electric utility, as defined in section 7-
4 233b of the general statutes, shall return seventy-five per cent of the
5 deposit, as described in subsection (a) of this section, to each
6 nonresidential electric customer after such customer makes continuous
7 and timely payments for electric service for a period of nine months.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2015</i>	7-222
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ET Joint Favorable

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 16 \$	FY 17 \$
Various Municipal Electric Companies	Cost	Potential	Potential

Explanation

The bill requires municipal electric utilities to return 75% of certain deposits made by non-residential customers, after such customer makes continuous payments for nine months (these deposits are currently non-refundable and made in addition to regular monthly electric payments).

There is a potential cost to municipal electric companies associated with returning a portion of these deposits to non-residential customers. It is anticipated that this cost would result in higher electric rates for both residential and non-residential customers.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the amount of deposits municipal electric companies are required to return to non-residential customers.

OLR Bill Analysis**HB 5469*****AN ACT REQUIRING MUNICIPAL ELECTRIC UTILITIES TO RETURN CORPORATE SECURITY DEPOSITS.*****SUMMARY:**

This bill requires municipal electric companies to return 75% of a nonresidential customer's security deposit once the customer makes continuous and timely electric service payments for a nine-month period. The law, unchanged by the bill, allows municipal gas and electric companies to require security deposits that can cover three months of a customer's gas or electricity payments.

EFFECTIVE DATE: October 1, 2015

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable

Yea 23 Nay 0 (03/24/2015)