



STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY

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PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)

Public Hearing – March 1, 2016

Energy and Technology Committee

Testimony Submitted by Arthur A. House, Chairman, Public Utilities
Regulatory Authority (PURA)

RAISED BILL NUMBER 103 - AN ACT CONCERNING THE RESPONSIBILITIES OF THE PROCUREMENT MANAGER OF THE PUBLIC UTILITIES REGULATORY AUTHORITY AND MINOR REVISIONS TO ENERGY-RELATED STATUTES

This bill is being proposed by PURA.

Sections 1 and 2 – Water Infrastructure and Conservation Adjustment
(WICA)

PURA believes this provision in the bill is necessary to streamline the PURA's WICA review process by amending an inconsistency found with regards to the definition of overearnings used in WICA dockets per §16-262w(i) as compared to the historical definition of overearnings per §16-19(g).

By aligning the computation of overearnings between the WICA overearning definitions with the historical understanding of overearnings, the Act would provide the consistency among Statutes that currently does not exist. A consistent interpretation of overearnings will lead to less staff and utility resources when adjudicating WICA dockets.

The Act also proposes to update the time period used to evaluate overearnings from six consecutive months to two consecutive financial quarters. This change will align the PURA overearnings measurement with valuation time periods that utility corporations use for multiple reporting purposes.

Sections 4 and 5 – Electric Suppliers

The minor revisions to energy-related statutes will help streamline existing requirements. The bill as proposed eliminates duplicative language in electric supplier licensing requirements, and revises statutory language to allow suppliers more flexibility in advertising renewable products. The proposed bill also clarifies the cancellation period permitted with electric supplier renewal contracts.

PURA has been making constant improvements to the Energize Connecticut Rate Board. The bill as proposed will allow PURA, other stakeholders and the electric suppliers to continue to work through the collaborative Supplier Working Group process to find the best way to display renewable offers on the Rate Board. Allowing this flexibility will reinforce the Rate Board as the trusted source for electric supplier information and will allow consumers to shop and sort offers in a way that is both easy to use and understand.

PURA recommends that the cancellation period associated with renewal contracts start and end at defined dates – preferably an individual customer’s meter read date. While many electric customers receive their bills electronically, others still opt for receipt through U.S. Mail, and tying cancellation dates to estimated dates of mail receipt can cause misunderstanding. Both retail electric consumers and electric suppliers will appreciate a clearly defined cancellation period that ends on the customer’s meter read date. (See PURA’s Final Decision in Docket No. 09-04-05RE03, Application of Viridian Energy, Inc. for an Electric Supplier License - Investigation into Contract Renewal and Enrollment Procedures.)

Sections 6 – 14 Procurement Manager

PURA asks that these sections of the bill related to the procurement manager be removed from the bill.

RAISED BILL NUMBER 168 - AN ACT CONCERNING TRASH-TO-ENERGY FACILITIES

This bill requires the chairperson of the Public Utilities Regulatory Authority to conduct a study pertaining to trash-to-energy facilities. PURA **cannot support** this proposal as it lacks any details and direction regarding what the purpose, objective, deliverables and expectations are for the “study”. In addition, PURA cannot determine what the fiscal impact would be on PURA and whether we have the expertise in house to conduct whatever study the proponents of the bills have in mind. PURA also has no other jurisdiction over this type of facility, making PURA a very poor jurisdictional fit for this responsibility.

RAISED BILL NUMBER 5242 - AN ACT CONCERNING AGRICULTURAL VIRTUAL NET METERING

We appreciate the Committee’s willingness to raise and hold a public hearing on House Bill No. 5242 – An Act Concerning Agricultural Customers and Virtual Net Metering.

This proposal, which PURA proposed last year and continues to **support**, would set agricultural customer hosts on a par with state and municipal customer hosts. Currently, state and municipal hosts can own, lease or contract for virtual net metering facilities. Agricultural hosts, however, can only own facilities. PURA’s proposal allows agricultural customer to host own, lease or contract for facilities. PURA came across this issue while developing a Final Decision concerning the implementation of VNM in Connecticut. See PURA’s Final Decision in Docket No. 13-08-14RE01 – [PURA Development of the Administrative Processes and Program Specifications for Virtual Net Metering Methodology](#).

**RAISED BILL NUMBER 5311 - AN ACT CONCERNING
TELECOMMUNICATIONS PROVIDER TARIFFS FOR SERVICES OFFERED
TO BUSINESS RETAIL END-USERS AND CERTAIN
TELECOMMUNICATIONS SERVICE-RELATED REPORTS**

The proposed legislation would offer the state's telecommunications services providers (including Connecticut's telephone companies) with the option of not filing tariffs with the PURA for services that are offered to business retail end-users. RB 5311 also proposes to repeal the requirement for annual telecommunications service status reports filed with the General Assembly from the PURA.

PURA supports this legislation. The proposed legislation is directed to telecommunications services providers offering retail services to a specific class of customers (i.e., business end users). It offers the telecommunications services providers the option of filing retail business services tariffs with the PURA. In lieu of tariffs, the carriers would be required to make the rates, terms and conditions for their services available in the form of a customer service guide.

Typically, business customers are more sophisticated than residential end users and often enter into service contracts when purchasing service from the carriers. These contracts usually contain the rates, terms and conditions normally found in the company's tariffs, thus making the tariffs unnecessary. The PURA suggests however, that the telecommunications services provider and telephone companies post their "customer service guide" on their websites so that customers can verify their individual service rates with the carrier's published rates, terms and conditions.

Relative to the proposed legislation to repeal the PURA's requirement to file its annual telecommunications service status report to the General Assembly, PURA supports that proposal. Due to the changes in the industry, including the fact that segments of the industry are no longer subject to the PURA's jurisdiction, has made this report outdated and the PURA has been unable to accurately report on the status of competition in the telecommunications industry in Connecticut.

Thank you for the opportunity to present testimony on these proposals. If you should require any additional information, please contact Nick Neeley, PURA's legislative director, at 860-827-2625 or Nicholas.Neeley@ct.gov