

**Proposed Substitute  
Bill No. 103**

LCO No. 3090

**AN ACT CONCERNING MINOR REVISIONS TO ENERGY-RELATED  
STATUTES.**

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

1 Section 1. Subsection (g) of section 16-19 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2016*):

4 (g) The authority shall hold either a special public hearing or  
5 combine an investigation with an ongoing four-year review conducted  
6 in accordance with section 16-19a or with a general rate hearing  
7 conducted in accordance with subsection (a) of this section on the need  
8 for an interim rate decrease (1) when a public service company has, for  
9 [six] the latest two consecutive [months] financial quarters, earned a  
10 return on equity which exceeds the return authorized by the authority  
11 by at least one percentage point, (2) if it finds that any change in  
12 municipal, state or federal tax law creates a significant increase in a  
13 company's rate of return, or (3) if it finds that a public service company  
14 may be collecting rates which are more than just, reasonable and  
15 adequate, as determined by the authority, provided the authority shall  
16 require appropriate notice of hearing to the company and its customers  
17 who would be affected by an interim rate decrease in such form as the  
18 authority deems reasonable. The company shall be required to  
19 demonstrate to the satisfaction of the authority that earning such a

20 return on equity or collecting rates which are more than just,  
21 reasonable and adequate is directly beneficial to its customers. At the  
22 completion of the proceeding, the authority may order an interim rate  
23 decrease if it finds that such return on equity or rates exceeds a  
24 reasonable rate of return or is more than just, reasonable and adequate  
25 as determined by the authority. Any such interim rate decrease shall  
26 be subject to a customer surcharge if the interim rates collected by the  
27 company are less than the rates finally approved by the authority or  
28 fixed at the conclusion of any appeal taken as a result of any finding by  
29 the authority. Such surcharge shall be assessed against customers in  
30 such amounts and by such procedure as ordered by the authority.

31 Sec. 2. Subsection (i) of section 16-262w of the general statutes is  
32 repealed and the following is substituted in lieu thereof (*Effective July*  
33 *1, 2016*):

34 (i) The amount of the WICA applied between general rate case  
35 filings shall not exceed ten per cent of the water company's annual  
36 retail water revenues approved in its most recent rate filing, and shall  
37 not exceed five per cent of such revenues for any twelve-month period.  
38 The amount of the adjustment shall be reset to zero as of the effective  
39 date of new base rates approved pursuant to section 16-19, as amended  
40 by this act, and shall be reset to zero if the company exceeds the  
41 allowable rate of return by more than one hundred basis points for  
42 [any calendar year] the latest two consecutive financial quarters.

43 Sec. 3. Subsection (g) of section 16-245 of the general statutes is  
44 repealed and the following is substituted in lieu thereof (*Effective July*  
45 *1, 2016*):

46 (g) As conditions of continued licensure, in addition to the  
47 requirements of subsection (c) of this section: (1) The licensee shall  
48 comply with the National Labor Relations Act and regulations, if  
49 applicable; (2) the licensee shall comply with the Connecticut Unfair  
50 Trade Practices Act and applicable regulations; (3) each generating  
51 facility operated by or under long-term contract to the licensee shall  
52 comply with chapter 277a, state environmental laws and regulations

53 adopted by the Commissioner of Energy and Environmental  
54 Protection; [ pursuant to section 22a-174j;] (4) the licensee shall comply  
55 with the renewable portfolio standards, established in or pursuant to  
56 section 16-245a; (5) the licensee shall be a member of the New England  
57 Power Pool or its successor or have a contractual relationship with one  
58 or more entities who are members of the New England Power Pool or  
59 its successor and the licensee shall comply with the rules of the  
60 regional independent system operator and standards and any other  
61 reliability guidelines of the regional independent systems operator; (6)  
62 the licensee shall agree to cooperate with the authority and other  
63 electric suppliers in the event of an emergency condition that may  
64 jeopardize the safety and reliability of electric service; (7) the licensee  
65 shall comply with the code of conduct established pursuant to section  
66 16-244h; (8) for a license to a participating municipal electric utility, the  
67 licensee shall provide open and nondiscriminatory access to its  
68 distribution facilities to other licensed electric suppliers; (9) the licensee  
69 or the entity or entities with whom the licensee has a contractual  
70 relationship to purchase power shall be in compliance with all  
71 applicable licensing requirements of the Federal Energy Regulatory  
72 Commission; (10) [each generating facility operated by or under long-  
73 term contract to the licensee shall be in compliance with chapter 277a  
74 and state environmental laws and regulations; (11) the licensee shall  
75 comply with the renewable portfolio standards established in section  
76 16-245a; (12)] the licensee shall offer a time-of-use price option to  
77 customers. Such option shall include a two-part price that is designed  
78 to achieve an overall minimization of customer bills by encouraging  
79 the reduction of consumption during the most energy intense hours of  
80 the day. The licensee shall file its time-of-use rates with the Public  
81 Utilities Regulatory Authority; [(13)] (11) the licensee shall  
82 acknowledge that it is subject to chapters 208, 212, 212a and 219, as  
83 applicable, and the licensee shall pay all taxes it is subject to in this  
84 state; [(14)] (12) the licensee shall make available to the authority for  
85 posting on the authority's Internet web site and shall list on the  
86 licensee's own Internet web site, on a monthly basis, the highest and  
87 lowest electric generation service rate charged by the licensee as part of

88 a variable rate offer in each of the preceding twelve months to any  
89 customer with a peak demand of less than fifty kilowatts, cumulated of  
90 all such customer's meters, during a twelve-month period; and [(15)]  
91 (13) any contract between a licensee and a residential customer eligible  
92 for standard service entered into on and after July 1, 2014, shall  
93 provide for the same electric generation service rate that may not be  
94 exceeded for at least the first three billing cycles of the contract,  
95 provided the licensee may decrease such rate at any time. Also as a  
96 condition of licensure, the authority shall prohibit each licensee from  
97 declining to provide service to customers for the reason that the  
98 customers are located in economically distressed areas. The authority  
99 may establish additional reasonable conditions to assure that all retail  
100 customers will continue to have access to electric generation services.

101 Sec. 4. Subdivision (5) of subsection (h) of section 16-245o of the  
102 2016 supplement to the general statutes is repealed and the following  
103 is substituted in lieu thereof (*Effective July 1, 2016*):

104 (5) Each electric supplier shall disclose to the Public Utilities  
105 Regulatory Authority in a standardized format (A) the amount of  
106 additional renewable energy credits, if any, such supplier will  
107 purchase other than required credits, (B) where such additional credits  
108 are being sourced from, and (C) the types of renewable energy sources  
109 that will be purchased. Each electric supplier shall only advertise  
110 renewable energy credits [purchased beyond those required pursuant  
111 to sections 16-245a and 16-243q] in a manner approved by the  
112 authority and shall report to the authority the renewable energy  
113 sources of such credits and any changes to the types of renewable  
114 energy sources offered.

115 Sec. 5. Subdivision (8) of subsection (h) of section 16-245o of the  
116 2016 supplement to the general statutes is repealed and the following  
117 is substituted in lieu thereof (*Effective July 1, 2016*):

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

121 of the customer. Nothing in this subdivision shall restrict an electric  
122 supplier from renewing a contract by clearly informing the customer,  
123 in writing, not less than thirty days or more than sixty days before the  
124 renewal date, of the renewal terms, including a summary of any new  
125 or altered terms, and of the option not to accept the renewal offer,  
126 provided no fee pursuant to subdivision (7) of this subsection shall be  
127 charged to a customer who terminates or cancels such renewal [not  
128 later than seven business days after receiving] within the first two  
129 billing [statement for] cycles of the renewed contract.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2016</i>	16-19(g)
Sec. 2	<i>July 1, 2016</i>	16-262w(i)
Sec. 3	<i>July 1, 2016</i>	16-245(g)
Sec. 4	<i>July 1, 2016</i>	16-245o(h)(5)
Sec. 5	<i>July 1, 2016</i>	16-245o(h)(8)