AN ACT CONCERNING CONSUMER PROTECTIONS FOR CUSTOMERS OF ELECTRIC SUPPLIERS.

SUMMARY

This bill establishes several new consumer protections for existing and prospective residential customers of retail electric suppliers. These suppliers offer electricity at alternate rates compared with electric distribution companies (EDCS; i.e., Eversource and United Illuminating). Among other things, these protections require the suppliers to:

1. record the interactions of their telemarketers and in-person marketers with customers;

2. conduct criminal background checks on anyone conducting door-to-door marketing on their behalf; and

3. state certain information at the start of any telemarketing call or in-person marketing (e.g., the supplier’s name and that no state program encourages customers to use a supplier).

The bill also requires suppliers to obtain a residential customer’s affirmative and express consent before renewing the customer’s contract. Current law allows the suppliers to automatically renew their contracts as long as they meet certain notice requirements. Under the bill, a supplier’s residential customers who do not provide such consent must be returned to the standard service rate when the supplier’s contract expires (see BACKGROUND).

The bill prohibits the suppliers from assigning or transferring their customers (presumably, to another supplier) without first receiving approval from the Public Utilities Regulatory Authority (PURA).
It also allows PURA to order the various entities that it regulates to pay restitution to their customers if PURA finds that they failed to obey or comply with a provision of the public service company statutes or a PURA order or regulation.

EFFECTIVE DATE: Upon passage

§§ 1 & 2 — ELECTRIC SUPPLIER MARKETING

Recordings

The bill requires electric suppliers to record the entirety of their telesales calls and face-to-face marketing interactions with potential residential customers, including all attempted and consummated sales. (Presumably, applicable laws and requirements related to such recordings would also apply; see BACKGROUND.) The suppliers must retain the recordings for two years after they are made.

Under the bill, a “telesales call” is any communication using a telephonic device, including land lines and cell phones, to (1) inform a customer or potential customer about a product offering; (2) engage him or her in a conversation that may result in entering a contract for services; or (3) discuss current or future contract terms.

Criminal Background Checks

The bill requires each supplier to conduct criminal background checks on all door-to-door marketers before they conduct marketing on the supplier’s behalf. At least once annually, they must also conduct criminal background checks on any marketers currently conducting door-to-door marketing on their behalf.

Marketing Statement

The bill requires each supplier, when conducting telesales calls or face-to-face marketing, to begin by immediately stating the following:

1. the name of the supplier conducting the call (or, presumably, the face-to-face marketing);

2. that the supplier is not affiliated with any state program and that no state program encourages state residents to obtain a
supplier;

3. that the supplier is calling (or, presumably, talking to) the residential customer, or potential residential customer, to market or sell electric supply service, and if the customer assents, the call or marketing will result in the customer immediately entering into a contract with the supplier;

4. that the supplier does not represent an EDC and the EDCs do not encourage state residents to obtain an electric supplier; and

5. what the standard service rate currently is, and that it is a fixed, not variable, rate.

**Customer Account Information**

The bill prohibits suppliers, when conducting telesales or face-to-face marketing, from requesting a potential residential customer’s account information (which is needed to transfer a customer’s service) before the customer affirmatively agrees to contract with the supplier for a specified rate. It also prohibits suppliers from requesting potential customers retrieve their account information or electric bill.

**Terminating Sales Calls**

The bill requires suppliers to terminate any telesales call when a residential customer or potential residential customer connects with the third-party verification process required by law. They may not remain on the phone line while the customer participates in this process.

**Processing Deadline**

The bill requires electric suppliers to process a residential customer’s enrollment or reenrollment and submit it to the EDC within five calendar days after the customer consents to enroll. Enrollments processed and sent to the EDC after the deadline are invalid under the bill.

**§ 5 — SUPPLIER CONTRACT RENEWALS**

Current law generally allows retail electric suppliers to
automatically renew a customer’s contract as long as, at least 30 to 60 days before the renewal date, they clearly inform the customer about the renewal terms in writing, including a summary of any new or altered terms and the option to reject the renewal. The bill limits this process to automatic renewals for non-residential customers and instead requires residential customers to affirmatively consent to a renewal.

The bill similarly requires suppliers to clearly inform residential customers in writing, at least 30 to 60 days before their contract renewal date, about the renewal terms, including a summary of any new or altered terms; the current rate; the new rate; and the option to reject the renewal offer. However, suppliers may only renew a contract if the customer affirmatively and expressly consents to the renewal by providing a written or electronic signature. As under current law, suppliers cannot charge a fee to a customer who terminates a renewed contract within the contract’s first two billing cycles.

If a residential customer does not affirmatively and expressly consent to the supplier’s contract renewal as required, the bill requires the customer to be placed on the standard service rate when the contract expires.

§ 3 — PURA FINES AND RESTITUTION

Current law allows PURA to fine the various entities that it regulates if they fail to obey or comply with a provision of the public service company statutes or a PURA order or regulation. Under the bill, PURA may also require these entities to pay restitution to customers, or a combination of fines and restitution, for such failures. As under the current law for fines, these penalties must follow the penalty prescribed in the violated statute, or, if no penalty is prescribed, they may be fined up to $10,000 for each offense. However, PURA may issue a penalty of up to $40,000 for a violation of any order made under its ratemaking powers.

BACKGROUND

*Standard Service Rate*
By law, the standard service rate is the rate for the electric generation service that EDCs must provide to residential customers who do not receive service from retail electric suppliers (CGS § 16-244c).

**Recording Telephone & In-Person Communications**

CGS § 52-570d generally allows a Superior Court civil action to be brought against someone who records a private telephone conversation without (1) prior consent from all parties to the conversation, either in writing or at the start of the recording; (2) a verbal notification, which is recorded at the beginning and is part of the communication by the recording party; or (3) use of an automatic tone warning device, which produces a distinct signal repeated at roughly 15-second intervals while the recording is in progress.

Under CGS § 53a-189, a person is guilty of eavesdropping (a class D felony) when he or she engages in mechanical overhearing of a conversation. By law, the “mechanical overhearing of a conversation” is an intentional overhearing or recording of a conversation or discussion without the consent of at least one party to it (CGS § 53a-187).

**Related Bill**

HB 5687, reported favorably by the Energy and Technology Committee, generally allows customers who negotiate a decreased electric generation service rate with their retail electric supplier to begin receiving service under the decreased rate before it appears on their electric bills.

**COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable Substitute

Yea 16 Nay 8 (03/19/2019)