

Energy and Technology Committee JOINT FAVORABLE REPORT

Bill No.: HB-5203

Title: AN ACT CONCERNING UTILITY COMPANY COST-SHARING MECHANISMS.

Vote Date: 3/22/2022

Vote Action: Joint Favorable Substitute

PH Date: 3/3/2022

File No.:

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

[Rep. Mitch Bolinsky, 106th Dist.](#)

REASONS FOR BILL:

The bill gives PURA additional jurisdiction over gas and electricity distributors, specifically concerning decoupling, earnings sharing, and advertising recovery. This is granted in order to ensure the protection of Connecticut ratepayers.

Substitute language was added giving PURA additional oversight for matters involving settlement proceedings and whether they conformed with principles and guidelines established in the general statute. Additional language requiring the Chairman of PURA to create a report regarding public policy components of matters concerning delivery of electronic bills. This was done to ensure that the legislature would have appropriate knowledge to act on the matter, if need be, later.

RESPONSE FROM ADMINISTRATION/AGENCY:

Coleman, Claire - Interim Consumer Counsel - Office of Consumer Counsel:

- Offers support for the bill, but questions how the new decoupling mechanisms would be implemented and what the intent of this section is. Offers a change in language to Section 3 of the bill, which OCC believes will make the bill more effective. Additionally, states confusion with Section 6, as they believe that the prohibition of the capital tracking tool while making efforts at grid modernization are counter intuitive. In total OCC supports the bill, stating that it provides many critical ratepayer protections.

Gillett, Marrassa - Chairman - PURA

- Supports the bill and offers small language changes for Sections 5 and 6. In total they state support as the bill would provide many important protections for ratepayers, including preventing costs being recovered from the ratepayers.

Tong, William - Attorney General - State of Connecticut:

- Attorney General Tong offers support for the bill, stating that utility companies have been reaping benefits at the expense of the ratepayer. States concern with Section 3 of the bill, as giving PURA “sole discretion” over refunding over earnings does not capture the importance of stakeholder input. In total supports the bill in its proposed protections of ratepayers.

NATURE AND SOURCES OF SUPPORT:

72 Signatories:

- Large group of constituents wrote in to offer general support for the bill.

Connecticut Industrial Energy Consumers:

- Offers support for the bill, stating that it is vital that PURA be provided with the authority to assess the impacts of RDMs on ratepayers. Offers a small language change to Line 109, changing “capital expenditures” to “plant additions.”

Erlingheuser, John - Director of Advocacy/Outreach - AARP:

- Writes in support of Sections 1, 4, and 7 of the bill. Offers no comments for or against the other sections. Support for listed sections stems from the belief that they support affordability.

Kuhns, Roger - CT State Coordinator - Citizens Climate Lobby:

- Offers general support for the bill, stating that giving PURA more oversight is a positive for the state.

Laun, Shannon - Staff Attorney - Conservation Law Foundation:

- Offers support for the bill, specifically sections that would move costs away from ratepayers and onto shareholders/the company itself. Believes the bill is a step in the right direction in terms of increasing utilities’ accountability.

Long, Gannon - Policy/Public Affairs Director - Operation Fuel:

- Supports the bill, specifically drawing attention to Sections 4 and 7 as they believe these sections will play an important role in increasing transparency. Additionally, states believe that the bill will provide much needed relief to Connecticut ratepayers.

McLean, Amy - CT Senior Policy Advocate - Acadia Center:

- Writes in support for the bill, stating that its provisions will relieve ratepayers of unnecessary burdens. Additionally, believes that disallowing public service companies from being members of other organizations will benefit the ratepayer.

Rothenberger, Charles - Climate & Energy Attorney - Save the Sound:

- Offers support for the bill. States that giving PURA additional discretion will benefit the ratepayer.

Swan, Tom - Executive Director - CCAG:

- Offers support for the bill, stating that giving PURA additional tools will help lower rates. They also claim that allowing costs associated with trade associations to be placed on the ratepayer is obscene.

The Nature Conservancy:

- Supports the bill, stating that it is an important step in addressing risks and costs being unfairly placed upon the ratepayer. Believes that making sure public service companies act in a way that will benefit the ratepayer is important, and that this bill will play a role in making that a reality.

NATURE AND SOURCES OF OPPOSITION:

Canavan, Daniel - Vice President of Regulatory Affairs - UIL Holdings Corporation:

- Offers opposition to the bill for a number of reasons. States that current rate plans already include decoupling mechanisms and are approved by PURA. Also believes that Section 2 of the bill needs additional work done to it, as currently it allows PURA to force companies into “costly and protracted” interim rate decrease investigations. States belief in Section 4 requiring too detailed an annual report. Finishes by stating that public service companies should still be able to recover costs associated with memberships to businesses or trade associations, as the public benefits from public service companies being members of these groups.

Reported by: Trenton Kapij

Date: 4/1/2022