



General Assembly

January Session, 2023

Committee Bill No. 7

LCO No. 6021



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:
(ET)

**AN ACT STRENGTHENING PROTECTIONS FOR CONNECTICUT'S
CONSUMERS OF ENERGY.**

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

1 Section 1. Subsection (b) of section 16-19tt of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2023*):

4 (b) In any rate case initiated on or after [July 8, 2013] October 1, 2023,
5 or in a pending rate case for which a final decision has not been issued
6 prior to [July 8, 2013] October 1, 2023, the Public Utilities Regulatory
7 Authority [shall] may order the state's gas and electric distribution
8 companies to decouple distribution revenues from the volume of
9 natural gas and electricity sales. [For electric distribution companies, the
10 decoupling mechanism shall be the adjustment of actual distribution
11 revenues to allowed distribution revenues. For gas distribution
12 companies, the decoupling mechanism shall be a mechanism that does
13 not remove the incentive to support the expansion of natural gas use
14 pursuant to the 2013 Comprehensive Energy Strategy, such as a
15 mechanism that decouples distribution revenue based on a use-per-
16 customer basis. In making its determination on this matter, the authority

17 shall consider the impact of decoupling on the gas or electric
18 distribution company's return on equity and make any necessary
19 adjustments thereto.] The authority shall have the discretion to
20 determine the decoupling mechanism and methodology used in
21 decoupling orders made pursuant to this subsection, subject to the
22 principles set forth in subsection (m) of section 16-2.

23 Sec. 2. Subsection (b) of section 16-243p of the general statutes is
24 repealed and the following is substituted in lieu thereof (*Effective from*
25 *passage*):

26 (b) No [electric distribution] public service company shall recover
27 through rates its costs associated with its attendance [or] in,
28 participation in, preparation for or appeal of any [rate-making hearing]
29 contested proceeding conducted before the authority. Such costs shall
30 include, but need not be limited to, attorneys' fees, fees to engage expert
31 witnesses or consultants and related costs identified by the authority.

32 Sec. 3. (NEW) (*Effective from passage*) (a) No public service company
33 shall recover through rates any cost associated with membership, dues,
34 sponsorships or contributions to a business or industry trade
35 association, group or related entity incorporated under Section 501 of
36 the Internal Revenue Code of 1986, or any subsequent corresponding
37 internal revenue code of the United States, as amended from time to
38 time.

39 (b) No public service company shall recover through rates any cost
40 associated with lobbying or legislative action, as such terms are defined
41 in section 1-91 of the general statutes.

42 (c) No public service company shall recover through rates any cost
43 associated with advertising, marketing or any other related costs
44 identified by the authority, unless such marketing, advertising or
45 related costs are specifically approved or ordered by the authority.

46 Sec. 4. Section 16-19jj of the general statutes is repealed and the

47 following is substituted in lieu thereof (*Effective from passage*):

48 The Public Utilities Regulatory Authority shall, whenever it deems
49 appropriate, [encourage] permit the use of proposed settlements
50 produced by alternative dispute resolution mechanisms to resolve
51 contested cases and proceedings. In order to approve a settlement of a
52 proceeding to amend rates under section 16-19, as amended by this act,
53 the authority shall determine that the resulting rates and other terms of
54 the settlement conform to the principles set forth in section 16-19, as
55 amended by this act. The term of any provision in a settlement of a
56 proceeding to amend rates under section 16-19, as amended by this act,
57 shall not extend more than three years from such settlement's approval
58 by the authority. The parties proposing the settlement shall provide the
59 proposed settlement to all parties and intervenors not less than three
60 business days before filing the proposed settlement with the authority.
61 The proposed settlement filed with the authority shall be accompanied
62 by testimony from not less than one witness representing each party to
63 the settlement. Any proceeding to amend rates under section 16-19, as
64 amended by this act, that is resolved by a settlement shall not constitute
65 a general rate hearing for purposes of the periodic review required
66 under section 16-19a, as amended by this act.

67 Sec. 5. Subsection (c) of section 16-19b of the general statutes is
68 repealed and the following is substituted in lieu thereof (*Effective from*
69 *passage*):

70 (c) If the authority, after notice and hearing, determines that the
71 adoption of an energy adjustment clause would protect the interests of
72 ratepayers of an electric distribution company, ensure economy and
73 efficiency in energy production and purchase by the electric distribution
74 company and achieve the objectives set forth in subsection (a) of section
75 16-19, as amended by this act, and in section 16-19e better than would
76 the continued operation of a fuel adjustment clause and a generation
77 utilization adjustment clause, the authority shall approve an energy
78 adjustment clause to be superimposed upon the existing rate schedule

79 of the electric distribution company. The authority shall design any such
80 energy adjustment clause to reflect cost-efficient energy resource
81 procurement and to recover the costs of energy that are proper for rate-
82 making purposes and for which the authority has not authorized
83 recovery through base rates. These costs, reflecting prudent and efficient
84 management and operations, may include, but are not limited to, the
85 costs of oil, gas, coal, nuclear fuel, wood or other fuels, and energy
86 transactions with other utilities, nonutility generators or power pools [,]
87 and all or part of the cost of conservation and load management. [, and
88 the gross earnings tax imposed by section 12-264 on the revenues from
89 the energy sources subject to the energy adjustment clause] The
90 authority may establish an efficiency factor in the energy adjustment
91 clause of each electric distribution company, that may provide for less
92 than one hundred per cent recovery of the gross earnings tax imposed
93 pursuant to section 12-264 on the revenues from such purchased energy.
94 The authority shall design the energy adjustment clause to provide for
95 recovery of energy costs prudently incurred by an electric distribution
96 company in accordance with section 16-19e. Notwithstanding the
97 provisions of section 16-19, as amended by this act, the authority shall
98 change an energy adjustment clause in accordance with the provisions
99 of subsections (e) and (h) of this section. An energy adjustment clause
100 approved pursuant to this section shall apply to all electric distribution
101 companies similarly affected by the costs which form the basis for the
102 adjustment clause.

103 Sec. 6. Section 16-19yy of the general statutes is repealed and the
104 following is substituted in lieu thereof (*Effective from passage*):

105 (a) Notwithstanding any provision of the general statutes, in
106 exercising its discretion regarding whether to allow the recovery
107 through rates of any portion of the compensation package for executives
108 or officers or of any portion of any incentive compensation for
109 employees of any electric distribution company, gas company or water
110 company, as defined in section 16-1, the Public Utilities Regulatory
111 Authority shall consider whether to require that any such compensation

112 that is recoverable through rates be dependent upon the achievement of
113 performance targets. [established pursuant to section 16-244aa.]

114 (b) The total amount of compensation for any executives or officers
115 of the parent company of any electric distribution company, gas
116 company or water company, as defined in section 16-1, shall not exceed
117 the base compensation of such executives or officers by five per cent or
118 more.

119 (c) Whenever an increase of more than ten per cent occurs between
120 billing periods of (1) the standard service rate established pursuant to
121 section 16-244c, (2) the energy adjustment clause or purchased gas
122 adjustment clause established pursuant to section 16-19b, as amended
123 by this act, or (3) a water company rate adjustment mechanism
124 established pursuant to section 16-262w, any public service company
125 with rates incorporating the increase shall provide a monthly bill credit
126 to its customers equal to the total compensation of its executives and
127 officers that is recovered through rates in such monthly bill. Such
128 company or companies shall provide the bill credit for a period of not
129 less than six months.

130 Sec. 7. (NEW) (*Effective from passage*) On and after January 1, 2024,
131 new electric plant additions shall not be eligible for cost recovery
132 through an on-bill reconciling mechanism first authorized in 2018.

133 Sec. 8. Subsection (b) of section 16-19gg of the general statutes is
134 repealed and the following is substituted in lieu thereof (*Effective from*
135 *passage*):

136 (b) [In any rate amendment proposed on and after May 19, 1992, by a
137 public service company, as defined by section 16-1, the Public Utilities
138 Regulatory Authority shall analyze the effect on ratepayers of a public
139 service company's provision of reduced or free utility service to its
140 employees.] During each proceeding on a rate amendment under
141 section 16-19, as amended by this act, proposed by an electric
142 distribution company, gas company or water company, the Public

143 Utilities Regulatory Authority shall consider the following factors in
144 determining a reasonable rate of return: (1) Macroeconomic conditions
145 at the time the rate amendment is pending before the authority; (2) the
146 company's compliance with state law, regulations and decisions and the
147 policies of the authority; (3) the burden of energy costs on residential
148 ratepayers, measured as a percentage of household income, under the
149 current and proposed rate; (4) trends in the company's accrual of bad
150 debt; and (5) any other issue deemed relevant by the authority.

151 Sec. 9. Section 16-19 of the general statutes is repealed and the
152 following is substituted in lieu thereof (*Effective from passage*):

153 (a) No public service company may charge rates in excess of those
154 previously approved by the Public Utilities Control Authority or the
155 Public Utilities Regulatory Authority, except that any rate approved by
156 the Public Utilities Commission, the Public Utilities Control Authority
157 or the Public Utilities Regulatory Authority shall be permitted until
158 amended by the Public Utilities Regulatory Authority, that rates not
159 approved by the Public Utilities Regulatory Authority may be charged
160 pursuant to subsection (b) of this section, and that the hearing
161 requirements with respect to adjustment clauses are as set forth in
162 section 16-19b. For water companies, existing rates shall include the
163 amount of any adjustments approved pursuant to section 16-262w since
164 the company's most recent general rate case, provided any adjustment
165 amount shall be separately identified in any customer bill. Each public
166 service company shall file any proposed amendment of its existing rates
167 with the authority in such form and in accordance with such reasonable
168 regulations as the authority may prescribe. Each electric distribution,
169 gas or telephone company filing a proposed amendment shall also file
170 with the authority an estimate of the effects of the amendment, for
171 various levels of consumption, on the household budgets of high and
172 moderate income customers and customers having household incomes
173 not more than one hundred fifty per cent of the federal poverty level.
174 Each electric distribution company shall also file such an estimate for
175 space heating customers. Each water company, except a water company

176 that provides water to its customers less than six consecutive months in
177 a calendar year, filing a proposed amendment, shall also file with the
178 authority a plan for promoting water conservation by customers in such
179 form and in accordance with a memorandum of understanding entered
180 into by the authority pursuant to section 4-67e. Each public service
181 company shall notify each customer who would be affected by the
182 proposed amendment, by mail, at least one week prior to the first public
183 hearing thereon, but not earlier than six weeks prior to such first public
184 hearing, that an amendment has been or will be requested. Such notice
185 shall also indicate (1) the date, time and location of any scheduled public
186 hearing, (2) a statement that customers may provide written comments
187 regarding the proposed amendment to the Public Utilities Regulatory
188 Authority or appear in person at any scheduled public hearing, (3) the
189 Public Utilities Regulatory Authority telephone number for obtaining
190 information concerning the schedule for public hearings on the
191 proposed amendment, and (4) whether the proposed amendment
192 would, in the company's best estimate, increase any rate or charge by
193 [twenty] five per cent or more, and, if so, describe in general terms any
194 such rate or charge and the amount of the proposed increase. [provided
195 no such company shall be required to provide more than one form of
196 the notice to each class of its customers.] The costs of providing such
197 notice shall not be recoverable in rates. If a company fails to provide
198 adequate notice, the authority shall consider the effective filing date of
199 such company's proposed amendment to be the date that the company
200 provides adequate notice to customers, as determined by the authority.
201 Until the effective filing date, no days shall count toward the time limit
202 in this subsection. In the case of a proposed amendment to the rates of
203 any public service company, the authority shall hold one or more public
204 hearings thereon, except as permitted with respect to interim rate
205 amendments by subsections (d) and (g) of this section, and shall make
206 such investigation of such proposed amendment of rates as is necessary
207 to determine whether such rates conform to the principles and
208 guidelines set forth in section 16-19e, or are unreasonably
209 discriminatory or more or less than just, reasonable and adequate, or

210 that the service furnished by such company is inadequate to or in excess
211 of public necessity and convenience, provided the authority may (A)
212 evaluate the reasonableness and adequacy of the performance or service
213 of the public service company using any applicable metrics or standards
214 adopted by the authority pursuant to section 16-244aa, and (B)
215 determine the reasonableness of the allowed rate of return of the public
216 service company based on such performance evaluation. The authority,
217 if in its opinion such action appears necessary or suitable in the public
218 interest may, and, upon written petition or complaint of the state, under
219 direction of the Governor, shall, make the aforesaid investigation of any
220 such proposed amendment which does not involve an alteration in
221 rates. If the authority finds any proposed amendment of rates to not
222 conform to the principles and guidelines set forth in section 16-19e, or
223 to be unreasonably discriminatory or more or less than just, reasonable
224 and adequate to enable such company to provide properly for the public
225 convenience, necessity and welfare, or the service to be inadequate or
226 excessive, it shall determine and prescribe, as appropriate, an adequate
227 service to be furnished or just and reasonable maximum rates and
228 charges to be made by such company. In the case of a proposed
229 amendment filed by an electric distribution, gas or telephone company,
230 the authority shall also adjust the estimate filed under this subsection of
231 the effects of the amendment on the household budgets of the
232 company's customers, in accordance with the rates and charges
233 approved by the authority. The authority shall issue a final decision on
234 [each electric distribution or gas company] any public service company
235 rate filing within three hundred fifty days from the [proposed] effective
236 filing date [thereof. The authority shall issue a final decision on all public
237 service company rate filings, except electric distribution or gas company
238 rate filings, within two hundred days from the proposed effective date
239 thereof] of the proposed amendment.

240 (b) If the authority has not made its finding respecting an amendment
241 of any [electric distribution or gas] public service company rate within
242 three hundred fifty days from the proposed effective date of such
243 amendment thereof, [or if the authority has not made its finding

244 respecting an amendment of any public service company rate, except an
245 electric distribution or a gas company rate, within two hundred days
246 from the proposed effective date of such amendment thereof,] such
247 amendment may become effective pending the authority's finding with
248 respect to such amendment upon the filing by the company with the
249 authority of assurance satisfactory to the authority, which may include
250 a bond with surety, of the company's ability and willingness to refund
251 to its customers with interest such amounts as the company may collect
252 from them in excess of the rates fixed by the authority in its finding or
253 fixed at the conclusion of any appeal taken as a result of a finding by the
254 authority.

255 (c) Upon conclusion of its investigation of the reasonableness of any
256 proposed increase of rates, the authority shall order the company to
257 refund to its customers with interest any amounts the company may
258 have collected from them during the period that any amendment
259 permitted by subsection (b) of this section was in force, which amounts
260 the authority may find to have been in excess of the rates fixed by the
261 authority in its finding or fixed at the conclusion of any appeal taken as
262 a result of a finding by the authority. Any such refund ordered by the
263 authority shall be paid by the company, under direction of the authority,
264 to its customers in such amounts as are determined by the authority.

265 (d) Nothing in this section shall be construed to prevent the authority
266 from approving an interim rate increase, if the authority finds that such
267 an interim rate increase is necessary to prevent substantial and material
268 deterioration of the financial condition of a public service company, to
269 prevent substantial deterioration of the adequacy and reliability of
270 service to its customers or to conform to the applicable principles and
271 guidelines set forth in section 16-19e, provided the authority shall first
272 hold a special public hearing on the need for such interim rate increase
273 and the company, at least one week prior to such hearing, notifies each
274 customer who would be affected by the interim rate increase that such
275 an increase is being requested. The company shall include the notice in
276 a mailing of customer bills, unless such a mailing would not provide

277 timely notice, in which case the authority shall authorize an alternative
278 manner of providing such notice. Any such interim rate increase shall
279 only be permitted if the public service company submits an assurance
280 satisfactory to the authority, which may include a bond with surety, of
281 the company's ability and willingness to refund to its customers with
282 interest such amounts as the company may collect from such interim
283 rates in excess of the rates approved by the authority in accordance with
284 subsection (a) of this section. The authority shall order a refund in an
285 amount equal to the excess, if any, of the amount collected pursuant to
286 the interim rates over the amount which would have been collected
287 pursuant to the rates finally approved by the authority in accordance
288 with subsection (a) of this section or fixed at the conclusion of any
289 appeal taken as a result of any finding by the authority. Such refund
290 ordered by the authority shall be paid by the company to its customers
291 in such amounts and by such procedure as ordered by the authority.

292 (e) If the authority finds that the imposition of any increase in rates
293 would create a hardship for a municipality, because such increase is not
294 reflected in its then current budget, or cannot be included in the budget
295 of its fiscal year which begins less than five months after the effective
296 date of such increase, the authority may defer the applicability of such
297 increase with respect to services furnished to such municipality until the
298 fiscal year of such municipality beginning not less than five months
299 following the effective date of such increase; provided the revenues lost
300 to the public service company through such deferral shall be paid to the
301 public service company by the municipality in its first fiscal year
302 following the period of such deferral.

303 (f) [Any] No public service company, as defined in section 16-1, may
304 [filing] file an application with the Public Utilities Regulatory Authority
305 to reopen a rate proceeding under this section. [, which application
306 proposes to increase the company's revenues or any rate or charge of the
307 company by five per cent or more, shall, not later than one week prior
308 to the hearing under the reopened proceeding, notify each customer
309 who would be affected thereby that such an application is being filed.

310 Such notice shall indicate the rate increases proposed in the application.
311 The company shall include the notice in a mailing of customer bills,
312 unless such a mailing would not provide timely notice to customers of
313 the reopening of the proceeding, in which case the authority shall
314 authorize an alternative manner of providing such notice.]

315 (g) The authority shall hold either a special public hearing or combine
316 an investigation with an ongoing four-year review conducted in
317 accordance with section 16-19a, as amended by this act, or with a general
318 rate hearing conducted in accordance with subsection (a) of this section
319 on the need for an interim rate decrease (1) when a public service
320 company has, for the rolling twelve-month period ending with the two
321 most recent consecutive financial quarters, earned a return on equity
322 which exceeds the return authorized by the authority by at least [one]
323 one-half of one percentage point, (2) if it finds that any change in
324 municipal, state or federal tax law creates a significant increase in a
325 company's rate of return, or (3) if it [finds] provides appropriate notice
326 that a public service company may be collecting rates or may have an
327 authorized rate of return which is or are more than just, reasonable and
328 adequate, as determined by the authority, provided the authority shall
329 require appropriate notice of hearing to the company and its customers
330 who would be affected by an interim rate decrease in such form as the
331 authority deems reasonable. The company shall be required to
332 demonstrate to the satisfaction of the authority that earning such a
333 return on equity, having an authorized rate of return or collecting rates
334 which are more than just, reasonable and adequate is directly beneficial
335 to its customers. At the completion of the proceeding, the authority may
336 order an interim rate decrease if it finds that such return on equity or
337 rates exceeds a reasonable rate of return or is more than just, reasonable
338 and adequate as determined by the authority. Any such interim rate
339 decrease shall be subject to a customer surcharge if the interim rates
340 collected by the company are less than the rates finally approved by the
341 authority or fixed at the conclusion of any appeal taken as a result of any
342 finding by the authority. Such surcharge shall be assessed against
343 customers in such amounts and by such procedure as ordered by the

344 authority.

345 (h) The provisions of this section shall not apply to the regulation of
346 a telecommunications service which is a competitive service, as defined
347 in section 16-247a, or to a telecommunications service to which an
348 approved plan for an alternative form of regulation applies, pursuant to
349 section 16-247k.

350 (i) No public service company may file an application to amend its
351 rates pursuant to this section or section 16-19e if, at the time of the
352 company's filing, another public service company with the same parent
353 company has an application to amend its rates pending before the
354 authority. The authority may waive this provision upon a showing of
355 good cause or at the authority's discretion.

356 Sec. 10. Subsection (a) of section 16-19a of the general statutes is
357 repealed and the following is substituted in lieu thereof (*Effective from*
358 *passage*):

359 (a) (1) The Public Utilities Regulatory Authority shall, at intervals of
360 not more than four years from the last previous general rate hearing of
361 each gas [and] company, electric distribution company or water
362 company having more than seventy-five thousand customers, conduct
363 a complete review and investigation of the financial and operating
364 records of each such company and hold a public hearing to determine
365 whether the rates of each such company are unreasonably
366 discriminatory or more or less than just, reasonable and adequate, or
367 that the service furnished by such company is inadequate to or in excess
368 of public necessity and convenience or that the rates do not conform to
369 the principles and guidelines set forth in section 16-19e. In making such
370 determination, the authority shall consider the gross and net earnings
371 of such company since its last previous general rate hearing, its retained
372 earnings, its actual and proposed capital expenditures, its advertising
373 expenses, the dividends paid to its stockholders, the rate of return paid
374 on its preferred stock, bonds, debentures and other obligations, its credit
375 rating, and such other financial and operating information as the

376 authority may deem pertinent.

377 (2) The authority may conduct a general rate hearing in accordance
378 with subsection (a) of section 16-19, as amended by this act, in lieu of the
379 periodic review and investigation proceedings required under
380 subdivision (1) of this subsection. The authority may convene such
381 general rate hearing at an interval of less than four years at the discretion
382 of the authority.

383 Sec. 11. Subdivision (4) of subsection (b) of section 16-8 of the general
384 statutes is repealed and the following is substituted in lieu thereof
385 (*Effective from passage*):

386 (4) A complete audit of each portion of each gas company, [or] electric
387 distribution company or water company having more than seventy-five
388 thousand customers shall begin no less frequently than every six years,
389 so that a complete audit of such a company's operations shall be
390 performed every six years. Such an audit of each such company having
391 more than seventy-five thousand customers shall be updated as
392 required by the authority.

393 Sec. 12. Subdivision (6) of subsection (b) of section 16-8 of the general
394 statutes is repealed and the following is substituted in lieu thereof
395 (*Effective from passage*):

396 (6) [All reasonable and proper] No costs and expenses [, as
397 determined by the authority,] of complying with any order of the
398 authority pursuant to this subsection shall be recognized by the
399 authority [for all purposes] as proper business expenses of the affected
400 company or person.

401 Sec. 13. Section 16-19bb of the general statutes is repealed and the
402 following is substituted in lieu thereof (*Effective from passage*):

403 The Public Utilities Regulatory Authority shall require that any funds
404 held by an electric distribution company in excess of the company's
405 authorized return on equity, which funds are intended by the authority

406 to offset future rate increases in lieu of a present rate decrease, shall be
407 applied to such rate increases or shall be refunded to the company's
408 customers, [within one year of receipt] in a manner determined by the
409 authority, not later than the conclusion of the company's next
410 proceeding conducted pursuant to section 16-19a, as amended by this
411 act.

412 Sec. 14. Section 16-35 of the general statutes is amended by adding
413 subsection (d) as follows (*Effective from passage*):

414 (NEW) (d) In an appeal, the Public Utilities Regulatory Authority
415 may only stay enforcement of a civil penalty if the person appealing the
416 order, authorization or decision that imposed the penalty provides an
417 escrow deposit, bond or other surety equal to the total amount of the
418 penalty. To obtain a stay of enforcement of any other order,
419 authorization or decision of the authority, the person appealing such
420 order, authorization or decision bears the burden of demonstrating that:
421 (1) There is a strong likelihood that the appeal will succeed; (2) the
422 person appealing will suffer substantial and irreparable harm absent a
423 stay; and (3) the stay will not be harmful to the public interest.

424 Sec. 15. Section 16-16 of the general statutes is repealed and the
425 following is substituted in lieu thereof (*Effective from passage*):

426 (a) Each public service company, person involved in the
427 transportation of gas, as such terms are defined in section 16-280a, and
428 electric supplier subject to regulation by the Public Utilities Regulatory
429 Authority shall, in the event of any accident attended with personal
430 injury or involving public safety, which was or may have been
431 connected with or due to the operation of its property, or caused by
432 contact with the wires of any public service company or electric
433 supplier, notify the authority thereof, by contacting the chairperson of
434 the authority or the chairperson's designee by telephone or otherwise,
435 as soon as may be reasonably possible after the occurrence of such
436 accident, but not later than twelve hours after the occurrence, unless
437 such accident is a minor accident. [, as defined by regulations of the

438 authority.] Each such person, company or electric supplier shall report
439 such minor accidents to the authority in writing, in summary form, once
440 each month. If notice of such accident, other than a minor accident, is
441 given otherwise than in writing, it shall be confirmed in writing within
442 five days after the occurrence of such accident. [Any person, company
443 or electric supplier failing to comply with the provisions of this section
444 shall be fined not more than five hundred dollars for each offense.]

445 (b) The monthly report required pursuant to subsection (a) of this
446 section shall incorporate the information described in section 16-19ee, as
447 amended by this act.

448 (c) Any person, company or electric supplier failing to comply with
449 the provisions of this section shall be fined not more than one thousand
450 dollars for each offense. A violation of this section shall constitute a
451 continued violation, pursuant to section 16-41, for the period from the
452 date the person, company or electric supplier is required to notify the
453 authority of the accident until the date the authority receives such
454 notification in writing.

455 (d) Any restitution ordered by the authority pursuant to section 16-
456 41 for customer equipment or customer property damaged in a major or
457 minor accident shall equal the replacement value of such equipment or
458 property. The fines imposed in accordance with subsection (c) of this
459 section shall not reduce or limit the amount of any restitution.

460 (e) Any costs incurred by an electric distribution company pursuant
461 to this section shall not be recoverable through rates.

462 Sec. 16. Section 16-19ee of the general statutes is repealed and the
463 following is substituted in lieu thereof (*Effective from passage*):

464 Each electric distribution company shall, in its [periodic] monthly
465 report to the Public Utilities Regulatory Authority [,] required pursuant
466 to section 16-16, as amended by this act, provide information concerning
467 the primary cause of all planned and unplanned electrical outages [,]

468 affecting fifty or more customers in the preceding month that is the
469 subject of such report and shall indicate which outages resulted from a
470 power surge.

471 Sec. 17. Subsection (b) of section 16-49 of the general statutes is
472 repealed and the following is substituted in lieu thereof (*Effective July 1,*
473 *2023*):

474 (b) On or before July 15, 1999, and on or before May first, annually
475 thereafter, each company shall report its intrastate gross revenues of the
476 preceding calendar year to the Public Utilities Regulatory Authority,
477 which amount shall be subject to audit by the authority. For each fiscal
478 year, each company shall pay the authority the company's share of all
479 expenses of the department's Bureau of Energy and Technology, the
480 Office of Consumer Counsel, the Office of Policy and Management's
481 expenses related to the duties under sections 16-330b and 16-330c and
482 the operations of the Public Utilities Regulatory Authority for such fiscal
483 year. The authority shall not recognize such assessments as normal
484 operating costs of each company and the assessments shall not be
485 recoverable through rates. On or before September first, annually, the
486 authority shall give to each company a statement which shall include:
487 (1) The amount appropriated to the department's Bureau of Energy and
488 Technology, the Office of Consumer Counsel, the Office of Policy and
489 Management's expenses related to the duties under sections 16-330b and
490 16-330c, [and] the operations of the Public Utilities Regulatory
491 Authority and the operations of any nonprofit agency engaged in
492 energy assistance programs for the fiscal year beginning July first of the
493 same year; (2) the total gross revenues of all companies; and (3) the
494 proposed assessment against the company for the fiscal year beginning
495 on July first of the same year, adjusted to reflect the estimated payment
496 required under subdivision (1) of subsection (c) of this section. Such
497 proposed assessment shall be calculated by multiplying the company's
498 percentage share of the total gross revenues as specified in subdivision
499 (2) of this subsection by the total revenue appropriated to the
500 department's Bureau of Energy and Technology, the Office of Consumer

501 Counsel, the Office of Policy and Management's expenses related to the
502 duties under sections 16-330b and 16-330c₂ [and] the operations of the
503 Public [Utility] Utilities Regulatory Authority and the operations of any
504 nonprofit agency engaged in energy assistance programs, as specified
505 in subdivision (1) of this subsection.

506 Sec. 18. Subsection (d) of section 16-49 of the general statutes is
507 repealed and the following is substituted in lieu thereof (*Effective July 1,*
508 *2023*):

509 (d) Immediately following the close of each fiscal year, the authority
510 shall recalculate the proposed assessment of each company, based on
511 the expenses, as determined by the Comptroller, of the department's
512 Bureau of Energy and Technology, the Office of Consumer Counsel, the
513 Office of Policy and Management's expenses related to the duties under
514 sections 16-330b and 16-330c₂ [and] the operations of the Public Utilities
515 Regulatory Authority and the operations of any nonprofit agency
516 engaged in energy assistance programs for such fiscal year. On or before
517 September first, annually, the authority shall give to each company a
518 statement showing the difference between its recalculated assessment
519 and the amount previously paid by the company.

520 Sec. 19. (NEW) (*Effective from passage*) (a) As used in this section:

521 (1) "Compensation" means payment by any public service company
522 that is a party to a proceeding before the Public Utilities Regulatory
523 Authority for all or part, as determined by the authority, of a
524 stakeholder group's reasonable attorneys' fees, reasonable expert
525 witness fees and other reasonable costs for preparation and
526 participation in such proceeding before the authority. Such
527 compensation shall be limited to not more than two hundred thousand
528 dollars for each stakeholder group, and not more than six hundred
529 thousand dollars for all stakeholder groups in each proceeding.

530 (2) "Stakeholder group" means (A) a group of persons designated an
531 intervenor pursuant to section 4-177a of the general statutes or

532 designated a participant pursuant to section 16-1-135 of the regulations
533 of Connecticut state agencies that applies jointly for an award of
534 compensation under this section and represents the interests of more
535 than one (i) residential utility customer residing in an environmental
536 justice community, as defined in section 22a-20a of the general statutes,
537 or (ii) small business customer; or (B) a nonprofit organization in the
538 state authorized to represent the interests of (i) residential utility
539 customers residing in an environmental justice community, as defined
540 in section 22a-20a of the general statutes, or (ii) small business
541 customers. "Stakeholder group" does not include any nonprofit or other
542 organization whose principal interests are the welfare of a public service
543 company or its investors or employees, or the welfare of one or more
544 businesses or industries which receive utility service primarily for use
545 in connection with the manufacture, sale or distribution of goods or
546 services for profit.

547 (3) "Other reasonable costs" means reasonable out-of-pocket expenses
548 incurred by the stakeholder group that are directly related to the group's
549 preparation for or participation in the proceeding before the authority
550 that resulted in a substantial contribution.

551 (4) "Proceeding" means a contested case, investigation, rulemaking or
552 other formal proceeding before the authority, or alternative dispute
553 resolution ordered by the authority.

554 (5) "Significant financial hardship" means that a stakeholder group is
555 unable to afford to pay the costs of effectively participating in the
556 proceeding, including attorneys' fees, expert witness fees and other
557 reasonable costs, without undue hardship.

558 (6) "Small business customer" means a commercial or industrial
559 electric customer with less than a two hundred kilowatt peak load.

560 (7) "Substantial contribution" means participation by a stakeholder
561 group in a proceeding that, in the judgment of the chairman of the
562 authority, may substantially assist the authority in making its decision

563 or part of its decision because the authority may adopt one or more
564 factual contentions, legal contentions or policy or procedural
565 recommendations that the stakeholder group presents.

566 (b) A stakeholder group who seeks designation as an intervenor
567 pursuant to section 4-177a of the general statutes or a participant
568 pursuant to section 16-1-135 of the regulations of Connecticut state
569 agencies may apply for an award of compensation under this section in
570 a proceeding. At the same time or before filing its application, the
571 stakeholder group shall serve on every party, intervenor or participant
572 to the proceeding notice of intent to apply for an award of
573 compensation. The authority shall determine appropriate procedures
574 for accepting and responding to such applications, and may require that
575 applicants attend educational trainings sponsored or recommended by
576 the authority as a condition of receiving an award of compensation. Any
577 such trainings shall be designed to support public participation and
578 public understanding of authority decisions and rulings, and general
579 education and awareness regarding public service company regulation
580 and operations, and shall include resources for the public that explain
581 the role and function of the authority and the Office of Consumer
582 Counsel. In its performance of duties pursuant to this subsection, the
583 authority may retain consultants to provide training in areas in which
584 staff expertise does not currently exist or when necessary to supplement
585 existing staff expertise, and may incur other reasonable costs, provided
586 the total costs incurred by the authority under this subsection do not
587 exceed one million dollars per year.

588 (c) An application shall include:

589 (1) A statement of the nature and extent and the factual and legal
590 basis of the stakeholder's planned participation, to the extent it is
591 possible to describe such participation with reasonable specificity at the
592 time the application is filed.

593 (2) A detailed description of anticipated attorneys' and expert witness
594 fees and other costs of preparation for and participation in the

595 proceeding.

596 (3) If participation will impose a significant financial hardship and
597 the stakeholder group seeks advance payment of an award of
598 compensation in order to initiate, continue or complete participation in
599 the proceeding, the stakeholder group shall include evidence of
600 significant financial hardship in its application.

601 (4) Any other requirements, as determined by the authority.

602 (d) (1) Not later than thirty days after receiving a stakeholder group's
603 application, the authority shall decide if the stakeholder group's
604 participation constitutes a substantial contribution. If the authority finds
605 that such participation is a substantial contribution, the authority shall
606 describe this substantial contribution and determine the amount of
607 compensation pursuant to subdivision (2) of this subsection.

608 (2) Notwithstanding subsection (e) of this section, if the authority
609 finds that the stakeholder group has significant financial hardship, the
610 authority may direct the public service company or companies subject
611 to the proceeding to pay all or part of the expected compensation, as
612 determined by the authority, to the stakeholder group before the end of
613 the proceeding. If the stakeholder group discontinues its participation
614 in the proceeding without the consent of the authority, the authority
615 may recover all or part of any payments made to such stakeholder and
616 refund such payments to the public service company or companies that
617 made the payments.

618 (3) The calculation of compensation pursuant to subdivision (2) of
619 this subsection shall take into consideration the compensation paid to
620 attorneys, expert witnesses and other persons of comparable training
621 and experience who offer similar services as the services relevant to the
622 stakeholder group's application and compensation.

623 (4) Each stakeholder group shall return any unused compensation to
624 the authority, which the authority shall refund to the public service

625 company or companies that provided the compensation.

626 (5) The authority shall require that every stakeholder group maintain
627 an itemized record of all expenditures incurred as a result of the
628 proceeding. The authority may use the record to verify the stakeholder
629 group's claim of financial hardship and to determine if any unused
630 funds remain at the completion of a proceeding.

631 (6) If the authority determines that two or more stakeholder groups
632 have substantially similar interests, the authority may require such
633 stakeholder groups to apply jointly in order to receive compensation.

634 (e) Any compensation shall be paid at the conclusion of the
635 proceeding by the public service company, in a manner determined by
636 the authority. Compensation shall be paid by all relevant public service
637 companies in proportion to such companies' relative annual load,
638 number of customers or revenue, as determined by the authority.

639 (f) The authority shall not award compensation to any stakeholder
640 group that delays or obstructs, or attempts to delay or obstruct, the
641 orderly and timely fulfillment of the authority's duties under this title.

642 Sec. 20. (NEW) (*Effective from passage*) The Public Utilities Regulatory
643 Authority shall study the procurement processes, policies, procedures
644 and timelines associated with the procurement of standard service and
645 supplier of last resort service and shall submit a report on its findings
646 and recommendations to the joint standing committee of the General
647 Assembly having cognizance of matters relating to energy, in
648 accordance with the provisions of section 11-4a of the general statutes.

649 Sec. 21. Subsection (a) of section 16-32l of the general statutes is
650 repealed and the following is substituted in lieu thereof (*Effective October*
651 *1, 2023*):

652 (a) For the purposes of this section: ["emergency" has the same
653 meaning as provided in subdivision (1) of subsection (a) of section 16-
654 32e and "electric distribution company"]

655 (1) "Emergency" means any hurricane, tornado, storm, flood, high
656 water, wind-driven water, tidal wave, earthquake, landslide, mudslide,
657 snowstorm, drought or fire explosion that results in sixty-nine per cent
658 or less of the electric distribution company's customers experiencing an
659 outage at the period of peak electrical demand;

660 (2) "Electric distribution company" has the same meaning as
661 provided in section 16-1; and

662 (3) "After the occurrence of an emergency" means the conclusion of
663 the emergency, as determined by the authority in its sole discretion,
664 through a review of the following: (A) The time when the electric
665 distribution company could first deploy resources safely in its service
666 territory; (B) the first of any official declarations concerning the end of
667 the emergency; or (C) the expiration of the first of any National Weather
668 Service warning applicable to the service territory.

669 Sec. 22. Subsection (d) of section 16-321 of the general statutes is
670 repealed and the following is substituted in lieu thereof (*Effective October*
671 *1, 2023*):

672 (d) Not later than fourteen calendar days after the occurrence of an
673 emergency, an electric distribution company may petition the authority
674 for a waiver of the requirements of this section, provided the authority
675 shall not grant a waiver for any emergency that results in less than ten
676 per cent of the electric distribution company's customers experiencing
677 an outage at the period of peak electrical demand. Any petition for a
678 waiver made under this subsection shall include the severity of the
679 emergency, [employee] line and restoration crew safety issues and
680 conditions on the ground, and shall be conducted as a contested case
681 proceeding. The burden of proving that such waiver is reasonable and
682 warranted shall be on the electric distribution company. In determining
683 whether to grant such waiver, the authority shall consider whether the
684 electric distribution company received approval and reasonable
685 funding allowances, as determined by the authority, to meet
686 infrastructure resiliency efforts to improve such company's

687 performance.

688 Sec. 23. Subsection (a) of section 16-32m of the general statutes is
689 repealed and the following is substituted in lieu thereof (*Effective October*
690 *1, 2023*):

691 (a) For the purposes of this section: ["emergency" has the same
692 meaning as provided in subdivision (1) of subsection (a) of section 16-
693 32e and "electric distribution company"]

694 (1) "Emergency" means any hurricane, tornado, storm, flood, high
695 water, wind-driven water, tidal wave, earthquake, landslide, mudslide,
696 snowstorm, drought or fire explosion that results in sixty-nine per cent
697 or less of the electric distribution company's customers experiencing an
698 outage at the period of peak electrical demand;

699 (2) "Electric distribution company" has the same meaning as
700 provided in section 16-1; and

701 (3) "After the occurrence of an emergency" means the conclusion of
702 the emergency, as determined by the authority in its sole discretion,
703 through a review of the following: (A) The time when the electric
704 distribution company could first deploy resources safely in its service
705 territory; (B) the first of any official declarations concerning the end of
706 the emergency; or (C) the expiration of the first of any National Weather
707 Service warning applicable to the service territory.

708 Sec. 24. Subsection (d) of section 16-32m of the general statutes is
709 repealed and the following is substituted in lieu thereof (*Effective October*
710 *1, 2023*):

711 (d) Not later than fourteen calendar days after the occurrence of an
712 emergency, an electric distribution company may petition the authority
713 for a waiver of the requirements of this section, provided the authority
714 shall not grant a waiver for any emergency that results in less than ten
715 per cent of the electric distribution company's customers experiencing
716 an outage at the period of peak electrical demand. Any petition for a

717 waiver made under this subsection shall include the severity of the
718 emergency, [employee] line and restoration crew safety issues and
719 conditions on the ground, and shall be conducted as a contested case
720 proceeding. The burden of proving that such waiver is reasonable and
721 warranted shall be on the electric distribution company. In determining
722 whether to grant such waiver, the authority shall consider whether the
723 electric distribution company received approval and reasonable
724 funding allowances, as determined by the authority, to meet
725 infrastructure resiliency efforts to improve such company's
726 performance.

727 Sec. 25. (Effective July 1, 2023) The sum of five million dollars is
728 appropriated to the Department of Energy and Environmental
729 Protection from the Consumer Counsel and Public Utility Control Fund,
730 for the fiscal year ending June 30, 2024, for the Public Utilities
731 Regulatory Authority to expand its regulatory operations over each
732 electric distribution company, gas company and water company, and to
733 hire or recruit any staff necessary for such expanded operations.

734 Sec. 26. (Effective July 1, 2023) The sum of two million dollars is
735 appropriated to the Department of Energy and Environmental
736 Protection from the Consumer Counsel and Public Utility Control Fund,
737 for the fiscal year ending June 30, 2024, for the Public Utilities
738 Regulatory Authority to investigate the preparation for and response to
739 storms or other emergency events by public service companies, and to
740 hire or recruit any staff necessary for such investigation.

| | | |
|---|------------------------|-------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2023</i> | 16-19tt(b) |
| Sec. 2 | <i>from passage</i> | 16-243p(b) |
| Sec. 3 | <i>from passage</i> | New section |
| Sec. 4 | <i>from passage</i> | 16-19jj |
| Sec. 5 | <i>from passage</i> | 16-19b(c) |
| Sec. 6 | <i>from passage</i> | 16-19yy |
| Sec. 7 | <i>from passage</i> | New section |

| | | |
|---------|------------------------|-------------|
| Sec. 8 | <i>from passage</i> | 16-19gg(b) |
| Sec. 9 | <i>from passage</i> | 16-19 |
| Sec. 10 | <i>from passage</i> | 16-19a(a) |
| Sec. 11 | <i>from passage</i> | 16-8(b)(4) |
| Sec. 12 | <i>from passage</i> | 16-8(b)(6) |
| Sec. 13 | <i>from passage</i> | 16-19bb |
| Sec. 14 | <i>from passage</i> | 16-35(d) |
| Sec. 15 | <i>from passage</i> | 16-16 |
| Sec. 16 | <i>from passage</i> | 16-19ee |
| Sec. 17 | <i>July 1, 2023</i> | 16-49(b) |
| Sec. 18 | <i>July 1, 2023</i> | 16-49(d) |
| Sec. 19 | <i>from passage</i> | New section |
| Sec. 20 | <i>from passage</i> | New section |
| Sec. 21 | <i>October 1, 2023</i> | 16-32l(a) |
| Sec. 22 | <i>October 1, 2023</i> | 16-32l(d) |
| Sec. 23 | <i>October 1, 2023</i> | 16-32m(a) |
| Sec. 24 | <i>October 1, 2023</i> | 16-32m(d) |
| Sec. 25 | <i>July 1, 2023</i> | New section |
| Sec. 26 | <i>July 1, 2023</i> | New section |

Statement of Purpose:

To promote a more equitable and transparent energy market that works in the best interest of Connecticut's consumers of energy.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: SEN. LOONEY, 11th Dist.; SEN. DUFF, 25th Dist.
 SEN. ANWAR, 3rd Dist.; SEN. CABRERA, 17th Dist.
 SEN. COHEN, 12th Dist.; SEN. FLEXER, 29th Dist.
 SEN. FONFARA, 1st Dist.; SEN. GASTON, 23rd Dist.
 SEN. HOCHADEL, 13th Dist.; SEN. KUSHNER, 24th Dist.
 SEN. LESSER, 9th Dist.; SEN. LOPES, 6th Dist.
 SEN. MAHER, 26th Dist.; SEN. MARONEY, 14th Dist.
 SEN. MARX, 20th Dist.; SEN. MCCRORY, 2nd Dist.
 SEN. MILLER P., 27th Dist.; SEN. MOORE, 22nd Dist.
 SEN. RAHMAN, 4th Dist.; SEN. SLAP, 5th Dist.
 SEN. WINFIELD, 10th Dist.; REP. DELANY, 144th Dist.
 REP. NOLAN, 39th Dist.; REP. REYES, 75th Dist.
 REP. FOSTER, 57th Dist.

S.B. 7

