



General Assembly

**Substitute Bill No. 7**

January Session, 2023



**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2 repealed and the following is substituted in lieu thereof (*Effective October*  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24 repealed and the following is substituted in lieu thereof (*Effective from*  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, as amended by this act. For water companies, existing  
163 rates shall include the amount of any adjustments approved pursuant  
164 to section 16-262w since the company's most recent general rate case,  
165 provided any adjustment amount shall be separately identified in any  
166 customer bill. Each public service company shall file any proposed  
167 amendment of its existing rates with the authority in such form and in  
168 accordance with such reasonable regulations as the authority may  
169 prescribe. Each electric distribution, gas or telephone company filing a  
170 proposed amendment shall also file with the authority an estimate of  
171 the effects of the amendment, for various levels of consumption, on the  
172 household budgets of high and moderate income customers and  
173 customers having household incomes not more than one hundred fifty  
174 per cent of the federal poverty level. Each electric distribution company  
175 shall also file such an estimate for space heating customers. Each water  
176 company, except a water company that provides water to its customers  
177 less than six consecutive months in a calendar year, filing a proposed  
178 amendment, shall also file with the authority a plan for promoting water  
179 conservation by customers in such form and in accordance with a

180 memorandum of understanding entered into by the authority pursuant  
181 to section 4-67e. Each public service company shall notify each customer  
182 who would be affected by the proposed amendment, by mail, at least  
183 one week prior to the first public hearing thereon, but not earlier than  
184 six weeks prior to such first public hearing, that an amendment has been  
185 or will be requested. Such notice shall also indicate (1) the date, time and  
186 location of any scheduled public hearing, (2) a statement that customers  
187 may provide written comments regarding the proposed amendment to  
188 the Public Utilities Regulatory Authority or appear in person at any  
189 scheduled public hearing, (3) the Public Utilities Regulatory Authority  
190 telephone number for obtaining information concerning the schedule  
191 for public hearings on the proposed amendment, and (4) whether the  
192 proposed amendment would, in the company's best estimate, increase  
193 any rate or charge by [twenty] five per cent or more, and, if so, describe  
194 in general terms any such rate or charge and the amount of the proposed  
195 increase. [, provided no such company shall be required to provide more  
196 than one form of the notice to each class of its customers] The costs of  
197 providing such notice shall not be recoverable in rates. If a company fails  
198 to provide adequate notice, the authority shall consider the effective  
199 filing date of such company's proposed amendment to be the date that  
200 the company provides adequate notice to customers, as determined by  
201 the authority. Until the effective filing date, no days shall count toward  
202 the time limit in this subsection. In the case of a proposed amendment  
203 to the rates of any public service company, the authority shall hold one  
204 or more public hearings thereon, except as permitted with respect to  
205 interim rate amendments by subsections (d) and (g) of this section, and  
206 shall make such investigation of such proposed amendment of rates as  
207 is necessary to determine whether such rates conform to the principles  
208 and 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 16-330c, [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 16-330c, [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 16-32*l* 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 16-32l 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.

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)

**ET**            *Joint Favorable Subst.*

**APP**          *Joint Favorable*