

PA13-119

HB6473

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**JOINT
STANDING
COMMITTEE
HEARINGS**

**ENERGY AND
TECHNOLOGY
PART 2
351 - 678**

2013

DIRECTOR ARTHUR HOUSE: Chairman Duff, Chairman Reed, ranking members, members of the committee thank you very much for enabling me to testify today. I have six items which are changes to existing law and only three minutes to do it so I'll try to go through in summary fashion and then prepare --

SENATOR DUFF: We'll make a deal. I'll give you five minutes.

DIRECTOR ARTHUR HOUSE: Very good sir, thank you. The first Section 4, C and D of the whistle blower protections, the revision that we recommend would extend the time available from 30 business days to 90 business days for PURA to make a preliminary finding on the validity of the utility employee's complaint of retaliation for an employer's miss -- for an employee's -- for an employer's misconduct.

HB 6473

At present, PURA must make a preliminary finding on the complaint in 30 days and in effect to register its initial findings within 20 days it just isn't enough to do it adequately and fairly. We have to consider written responses submitted by employer within those 20 days. Both the employer and employee can submit rebuttal statements and witness affidavits and supporting documents and hold meetings within those 20 days. Our experience has shown that 20 day administrative window is just not adequate.

We can't do a meaningful, credible and fair job in that time. We want to be fair to both parties and therefore our request is that the reasonable deadline be 90 days. The second item is Section 5a: Notice requirements for customers with proposed change in rates. Under current law there is no requirement for -- that

utility company's notice to customers regarding rate changes include reference to the date, time and location of scheduled public hearings. Under current law the wording of customer notices states that customers can obtain additional information about utility rate filings and the public hearings by calling PURA, so people do. They call our consumer services unit and they ask if their comments be made part of PURA's ducat when that rate changes is -- is heard and they're frustrated to learn that the -- by law that cannot be done.

They call and say please register me as being against it or for it or whatever and the law says they have to be filed in writing or made in person at the hearing. So our proposed change will help customers by requiring that customer notices state clearly how they can weight in and participate in PURA's ratemaking process. The raised bill calls for public notice to be made not earlier than six weeks prior to the public hearing. Current law provides that it not be later than one week prior. So we believe that that six week to one week window would allow ample time and reasonable process for customers to participate in the rate review process.

The next bill is Section 6H: to Streamline the purchased gas adjustment clause procedures. At present, gas companies estimate the cost of gas ahead of time. They charge what their estimate is, they adjust the bill afterwards.

So for example, a gas company could estimate in January what the -- what the price of natural gas will be in February, bill rate payers in February and make the adjustment in March. They do this every month and currently the gas

filings true up or adjust definitively twice a year in April and October. \

Given the effectiveness of the monthly adjustment currently underway our proposal is to true up definitively just once each year, not twice. We have discussed this proposal with our colleagues at the office of Consumer Counsel they have approved of the new procedure providing that PURA hold an administrative procedure on the filings if OCC so requests. We think that's a reasonable and rational way to proceed.

Our next bill is Section 12F, 5 and 6: Suppliers notifying customers of rate changes and disclosing renewable energy sources. This section requires electric suppliers to notify customers of rate changes at least three weeks prior to change -- charging the customer a new rate.

The proposal is intended to combat the teaser rate problem currently in the electric generation market, advertising a low rate and then increasing it without informing the customers as we've just discussed. This change will require the supplier to notify the customer of a rate increased with sufficient time for customers to change electric suppliers prior to the rate increase being implemented. It would require submitting standard contracts and marketing materials.

For example, for voluntary green products for prior -- PURA approval and it also restricts electric suppliers from advertising or charging a premium for any renewable energy credit that is not approved as a Connecticut renewable credit or wreck class one, two or three. Our next bill Section is 12 -- 15-25 which is

improvements to the Call Before You Dig, the underground damage prevention program laws. This provision increases the maximum civil penalty for violations of these statutes to Call Before You Do -- Dig, and associated regulations and updates to reflect practices and technologies.

I guess I still have two minutes, Sir? Very good I will wrap up within two minutes.

SENATOR DUFF: I think that was actually five Art, so.

DIRECTOR ARTHUR HOUSE: Oh was that five?

SENATOR DUFF: That was five, so thanks for trying.

DIRECTOR ARTHUR HOUSE: All right, or I will simply say that it increases the penalty from 40,000 to a maximum of 200,000 to comply with federal regulations and increased public concern and the last bill, Section 26 would clarify deposit interest to specify references to the banking department so that the law on that is clear. Sorry I ran over. I'm prepared to take questions.

SENATOR DUFF: That's okay. We appreciate you're doing that in five minutes. That was not an easy task for sure.

Any questions from members of the committee?

Representative Becker.

REP. BECKER: Thank you Mr. Chair, thank you Mr. House for your testimony. The first bill that you testified on in seeking to change the timeframe from 30 days to 90 days -- just a question on that. I know that, you know, the state's been going through a lean process with

many of its agencies trying to streamline things, get answers more quickly out to folks.

I understand your point that by the time you get input from the company and from the complainant that you're left with basically five days to try to render a decision and that's putting undue pressure on you. But just -- rather than going from 30 to 90 days, would 60 days work for you because that would give you? Because that would give you then 35 days to get an answer and try to keep the process moving at that same time.

DIRECTOR ARTHUR HOUSE: It will certainly be an improvement. One of the things in lean processes is one deals with data and when data is available it can be transferred electronically.

With cases such as the whistle blower often there are attorneys involved and there are human resources officials involved and there are clearances through corporate practices as well. We thought that 90 would be a more reasonable timeframe because currently 30 just does not work, 60 would be better, yes Sir.

REP. BECKER: Thank you. Thank you Mr. Chair.

SENATOR DUFF: Thank you very much. Any other questions? Representative Reed.

REP. REED: Thank you. Hello Director, soon to be Commissioner I think --

DIRECTOR ARTHUR HOUSE: Thank you.

REP. REED: -- I just was trying to get a sense of the order of magnitude of the whistle blower

situation. How many of these situations do we have going on at any given moment?

DIRECTOR ARTHUR HOUSE: I have dealt with just one in my six or eight months of being there, but every year there are a couple of them and one of the -- one of the factors involved that leads to delay is that once an employee has been fired he or she might go and get legal counsel and the legal counsel may then inform them that in fact they do fall underneath that statute and that starts the clock running because they may have -- they may have used up 10 or 15 of those days without realizing they had -- they had recourse to the whistle blower statute. There are not a lot of these ma'am, thankfully but when then come up each one involves a human being with a valid complaint and PURA wants to encourage employees with valid complaints to come before them to let us know what is happening. At the same time we need to respect the utilities rights.

They have a large number of employees and sometimes it is necessary to terminate an employee and in such cases when there is not a whistle blower effect they have every right to make that case for us to consider.

REP. REED: Sir, just one quick follow up. So there are whistle blower lawyers that people go to -- to see if their case contains some element of that?

DIRECTOR ARTHUR HOUSE: Yes, Ma'am. I don't know if they would call themselves that.

REP. REED: Thank you. Thank very much for your testimony. Thank you Mr. Chairman.

DIRECTOR ARTHUR HOUSE: Madam Chair.

REP. HOYDICK: And do you think that that allows a little more economic viability or competition between communities if they -- if you have enabling legislation?

BRYAN GARCIA: We do. I -- I would suggest that we ask some of the developers but I know in having discussions with current C Pays cities and towns that being able to offer that is going to -- they believe that that's not going -- not only going to support their economic development interest but it's also going to put them at a competitive advantage positions against others to attract developers to do projects in their towns.

REP. HOYDICK: Thank you very much.

SENATOR DUFF: Thank you Representative, any other questions? Okay, thank you very much Bryan. We have passed the one hour deadline for public officials and for officials and members of the public so we're now going to rotate back and forth.

We have Representative Rutigliano, just hang on one second we're going to allow Bill Burkas -- Barkas -- I'm sorry - from Dominion Retail come up and then after that Representative, you're on deck. Okay I don't see Mr. Barkas here so Representative why don't you come on up? Oh Bill, you are here okay, thanks.

BILL BARKAS: Good afternoon. Senator Duff -- Chairman Duff, Chairwoman Reed, members of the committee. My name is Bill Barkas. I am manager of State Government Relations for Dominion Retail. I would like to comment on House Bill 6470 and House Bill 6473. Dominion Retail is an affiliate of Dominion Resources as I mentioned.

We're a licensed electric supplier in the state with currently more than 60,000 small mass market customers. Together with our partner, Levco Energy. Overall, we have about 670,000 electric customers in nine states.

In regards to House Bill 6470 which you heard previously, the purpose of this bill is to provide clarity to electric supply -- suppliers advertising in disclosure. This is an admirable goal but unfortunately we think this bill language is confusing and we cannot support it in its current form.

Specifically, the language says that when an add or disclosure that includes a price that the expiration date or term of the price must have the same font size and color as the advertised price. Here's the problem. Does it mean that when a price is mentioned anywhere that the expiration date also must be included with it or does it just mean that the price and expiration on each -- on the page -- on one page at a time?

Also, if the body of -- the text of the material is in 12 font size, which is quite normal and at the same time your price and termination date in the heading are 48 size font does it mean then that in the text, anytime you mention price and termination date it has to be 48 size font as well? To us it's rather confusing.

We think the best solution in regards to this language is that the PURA should initiate a technical work group of all interested stake holders to get this worked out. It could probably be done in one day. I think that needs to be -- we understand what the problem

is. We think this language is not really taking care of that issue.

In regards to House Bill 6473, Supplier Disclosure Requirements. Section -- in Section 12 F we do not support this language because it says a supplier must provide written notice at least three weeks prior to a price change and the notice's format and manner must be approved by the PURA. Here's -- it sounds on the surface this makes sense but here's why it does not. How can a supplier provide three weeks' notice when he has a variable price? We think the requirement should only apply to a fixed price contracts with a duration of more than six months. T

his is how the problem is handled in Ohio and has been that way for several years and seems to work quite well. We think the requirement should not apply in a case where the price is declining. How many people want to get notices every three weeks of a declining price? We're also concerned whether the format and manner to be approved by the PURA would perhaps add new costs and confusion to supplier communications with its customers.

We just don't know -- we don't know what it looks like. And also, although not mentioned here we think it's very important that consumer education be undertaken to properly define fixed versus variable prices. This confusion is already causing problems and controversy in other states.

We'd certainly like to avoid that here in Connecticut as well. Thank you.

SENATOR DUFF: Thank you very much. I think it's unanimous with the leaders on the committee

that anytime a price goes down that we would like notices. Can you tell me again where -- where the -- you said Ohio --

BILL BARKAS: Yes.

SENATOR DUFF: -- and noticing. Can you explain that a little bit more? Just repeat what you said.

BILL BARKAS: Yes, basically that if you have a fixed price that is more than six months in duration then you do have to give notice of a price change, not a decrease but when it -- when it goes up. Not for a monthly variable price.

SENATOR DUFF: Thank you. Any questions from members of the committee? Representative Hoydick.

REP. HOYDICK: Hi Bill. Thank you for being here today. I -- I have some questions for the Consumer Council Commissioner regarding variable pricing because I'm not -- I wasn't familiar with it as far as the residential customer. How does -- how does that work, is it a variable price by month? Is it --

BILL BARKAS: Typically, that's how it works, yes.

REP. HOYD: and so the contract period would be three months? Six months? I mean how -- what products do you offer?

BILL BARKAS: Well, for example, you might have a fixed price for six months or maybe a year and when the contract expires there's a provision in the contract that says at the end of that term the contract will continue month to month on a variable basis and you can cancel anytime

with no penalty. That's typically how it could work.

REP. HOYDICK: So those are -- when you offer your products though do you offer a straight variable so if I wanted to be six months on a variable rate I -- I have no idea what -- that's why I'm asking --

BILL BARKAS: Typically any of those it just depends what's -- what's available in the market, what competitive conditions are, what prices are, what we think people want.

REP. HOYDICK: So what does Dominion offer in Connecticut now?

BILL BARKAS: Well right now the one we can sign you up today if you'd like there's one 698 cents through June of this year.

REP. HOYDICK: Thank you. I guess I'll go on your website. Thank you Bill.

BILL BARKAS: You're welcome.

SENATOR DUFF: You can go to energizect.com --

BILL BARKAS: Yes.

SENATOR DUFF: -- and look at all those prices. Any other questions? Yes, Representative Davis.

REP. DAVIS: Thank you Mr. Chairman, Bill thank you. Just to clarify is it standard industry practices as far as you know that when the terms of a fixed rate contract end that the competitive provider automatically switches the contractee to that variable rate without any type of notice, that's in the original contract right?

BILL BARKAS: Well, I mean that's how some people do it. That's how we typically do it but I'm sure other people have different practices. I mean, there are requirements that if you're going to continue a fixed price you have to give -- in fact what's interesting about this language is it requires three weeks' notice change. Currently the requirement is four weeks. We were okay with four so I mean if you want three, okay but -- but for variable it just doesn't work, it's impractical from a business standpoint.

REP. DAVIS: I, I understand that. My concern is -- and it -- because this happened to me. I had a --

BILL BARKAS: Sure.

REP. DAVIS: -- a twelve month fixed rate contract and let's face it, as a normal consumer we don't really pay attention to when the terms of that contract end --

BILL BARKAS: Sure.

REP. DAVIS: -- and I noticed maybe two or three months after that that my rate was now quite a bit higher and had been switched to a variable rate and I didn't receive any type of notification that it happened. My question is, is that standard practice on these --

BILL BARKAS: I can't --

REP. DAVIS: -- types of contracts?

BILL BARKAS: I can't say that it's standard practice. It could have been provisions in your contract for that. Normally you would get

advanced notice that your contract was ending because people would --

REP. DAVIS: Okay.

BILL BARKAS: -- want to provide other options for you perhaps.

REP. DAVIS: Okay. Is it Dominion's practice to provide that notice?

BILL BARKAS: It just depends. Yes, sometimes --

REP. DAVIS: Okay --

BILL BARKAS: -- yes.

REP. DAVIS: -- thank you. Thank you Mr. Chair.

SENATOR DUFF: Thank you Representative. Any other questions? Thank you sir.

BILL BARKAS: Okay.

SENATOR DUFF: Okay Representative, the floor is yours. Mr. Montanari?

BOB MONTANARI: Yes.

SENATOR DUFF: welcome.

REP. RUTIGLIANO: Good Afternoon. Senator Duff, Representative Reed, Senator LeBeau, Representative Steinberg, Senator Chapin and Representative Hoydick and distinguished members of the Energy and Technology Committee. I offer testimony today in support of Senate Bill 945: AN ACT CONCERNING CORPORATE DEPOSITS FOR MUNICIPALITIES.

CHRISTIAN A. HERB: Good afternoon. My name is Chris Herb. I am the vice president of the Connecticut Energy Marketers Association. We represent 576 petroleum marketers primarily made up of home heating oil dealers in Connecticut.

We're here today on HB 4473, I am speaking on behalf of Edith Karsky who is the Executive Director of the Connecticut Association for Community Action. They are a network of community action agencies that build communities, promotes public policy, and develops leaders and poverty in Connecticut. We did submit some written comments but with some suggested language to add to this -- to HB 4473.

(HB 6473)

The state of Connecticut established a Low Income Energy Advisory Board and in accordance with Connecticut General Statute 16A-41B to assist OPM and DSS in planning, developing and implementation, coordination of energy assistance related programs and policies and low income weatherization assistant programs and policies. The board advises the Department of Energy and Environmental Protection regarding impact of utility rates and policies. The LIEA's board composition is statutorily proscribed with six of its 16 voting members representing public utilities.

We ask that the Energy Committee amend the law -- and as I said I included that language in our testimony so that LIEA's board consists of representatives that are more proportional to the energy that our state's residents use. Nearly 40 percent of LIEA's boards is represented by utility companies, some of whom have common ownership.

Electric and natural gas utilities provide heating fuel for less than have the homes in our state while home heating oil dealers and propane dealers supply more than 50 percent. We ask that each fuel: electricity, natural gas, home heating oil, propane and solid fuels have proportional representation on LIEA's board so the most broad range of expertise can be utilized when advising OPM, DSS and DEEP on matters concerning the development, implementation, coordination of energy assistance related programs, policies and low income weatherization assistance.

With that I'll answer any questions.

SENATOR DUFF: Thank you, Chris.

Any questions from members of the committee? I don't have your testimony. Maybe it came in a little bit late but I'm sure we'll find it later. Thank you.

Any questions?

No, thank you. Jay Fletcher followed by Dan Allegretti followed by Lynn Mathis.

JAY FLETCHER: Good afternoon Senator Duff, Representative Reed and members of the committee.

HB 6471
SB 109

My name is Jay Fletcher and I'm the Director of Regulatory Policy for Northeast Utility Service Company and my time is up. Can I take any questions?

I'm appearing on behalf of CL&P and Yankee Gas. Here with me is David Goodson, Manager of Vegetation Management for NUSCO. We have

DANIEL ALLEGRETTI: Four bills in three minutes, here we go. I'm Dan Allegretti with Exelon Corporation.

Exelon is a Fortune 100 company headquartered in Chicago. We're the parent of Constellation Energy which is a wholesale and retail electricity supplier in the state of Connecticut as well as a solar power developer. Let me start with Senate Bill 944: The Municipal Aggregation Pilot Program. We're opposed to this bill.

HB 6473
SB 203
SB 949

We have some serious concerns that the bill would allow customers to opt into the municipal aggregation program and to abrogate their existing contracts with retail electric suppliers. We think this is bad policy, it's unfair to the suppliers that have enrolled these customers, it is likely to lead to disputes and is probably unconstitutional as well.

We're also concerned with how this bill would affect standard service suppliers who are supplying CL&P and UI. Certainly those suppliers have taking the risk and understand the risk that customers will individually choose to leave standard service for third party supply.

However, a single transaction that moves over 140,000 customers at once is certainly something that wasn't anticipated in connection with the contracting and certainly something that needs to be addressed in any transition to municipal aggregation.

Last, I'll note I spent some time yesterday testifying before the Senate Finance -- for the Joint Finance Committee on the Governor's

proposal to create a statewide aggregation for standard service customers. Very important for us as a supplier to have clarity with regard to who is aggregating and speaking for an individual customer.

Having two different aggregators simultaneously seeking supply for the same customer creates confusion for the customer and commercial chaos for the suppliers. For these reasons we would urge you not to pass Senate Bill 944.

Let me turn to Raised Bill 6473. This bill would effectively prohibit us from continuing to offer to our customers here in the State of Connecticut clean energy products unless those products are exclusively comprised of Class 1, 2 and 3 renewable energy certificates.

It's our experience that there are other types of products: carbon free energy, energy that needs a green certification, energy that's been endorsed by an environmental organization and so forth that are appealing to customers, the customers want to purchase. Part of the reason to introduce choice in the state of Connecticut and restructure the industry was to foster innovation in a variety of products.

We think this bill unnecessarily limits those product offerings and we would encourage the committee to remove the language that so provides.

Last half of a minute. Solar power, property tax exemptions are not just helpful they are essential for the vast majority of these products the operating budget consists anywhere from 15 to 30 percent of property tax. It is a make or break economic factor in the decision

SB 203
SB 949

**JOINT
STANDING
COMMITTEE
HEARINGS**

**ENERGY AND
TECHNOLOGY
PART 3
679 - 997**

2013



Real Possibilities

Testimony of AARP

Energy and Technology Committee

On H. B. 5591, H.B. 944, H.B. 6470, H.B. 6473, S.B. 315 and S.B. 109

March 5, 2013

AARP submits the following testimony stating our position on several of the bills before the Committee for hearing today. AARP is a nonpartisan, nonprofit social welfare organization with a membership that helps people 50+ have independence, choice and control in ways that are beneficial and affordable to them and society as a whole. AARP is an advocate nationwide for the rights of people aged 50 and older. A substantial percentage of AARP's members live on fixed or limited incomes. A major priority for AARP is to protect consumers from utility expenses that may endanger their health and financial security.

Stable rates and service are essential for older and low income people's health and wellbeing. People living on low or fixed incomes are particularly vulnerable to high utility costs and are often forced to reduce expenditures on other basic needs, including food and medicine, or to cut back on usage of heating and cooling beyond safe levels if they cannot afford their utility bills. Older people are less able to maintain their internal body temperature and disproportionately suffer from certain medical conditions that make them especially sensitive to temperature extremes, such as diabetes, lung disease, and heart disease. High or unpredictable utility costs also threaten the ability of older people to continue to live independently.

Concerns Regarding Provisions of H.B. 5591

H.B. 5591 would permit "on-bill-financing" for energy-related technology to residential and small commercial customers. On bill financing or "OBF" may sound good in theory, but it actually imposes serious risks to utility customers. According to the Comprehensive Energy Strategy, OBF would not be viable unless lenders are able to force disconnection of essential utility service as the ultimate collection tool. Too many Connecticut households already struggle to pay their utility bills, and too many already face disconnection of service. While the same households could benefit from energy efficiency measures, they should not be subjected to new debt, and a greater risk of losing essential service. The hammer of disconnection is an unacceptable short cut for lenders and program designers who should instead ensure that any OBF program enhances the customer's ability to afford utility bills and is marketed only to those for whom it is appropriate.

In addition to our opposition to using disconnection of essential service as a loan collection tool, AARP questions moving forward with OBF for residential customers based on little to no information about how the program would operate in practice. Unanswered questions include:

- What is the ratepayer's ability to assume the risk that the financed energy efficiency measures will not achieve expected savings?
- Do loan payments consider household size and income?
- What is the ability of subsequent owners and tenants to assume the loan repayment attached to the meter? How is the household size and income of subsequent tenants or owners considered? What notice is given future residents of the loan attached to the meter?
- Only a handful of OBF programs have been implemented for residential customers, primarily at electric cooperatives. What is the track record of OBF for residential customers across a variety of income categories?

Support H.B. 6470

This bill will require that advertisements for competitive electric service include a conspicuous disclosure of an advertised price and expiration of the term of such price. This type of disclosure is crucial to consumers who are often frustrated by "teaser" rates, which provide attractive, short term energy savings, but then ramp up into much higher rates. The consumer has no choice but to pay these rates, as most plans include hefty termination fees.

In order to have an effective and robust competitive retail market, consumers must have confidence when shopping. The Standard Offer Plan provides such confidence. So too do clear and accurate disclosures, so that consumers know up front what they are purchasing.

Support H. B. 944

AARP supports municipal aggregation, which has proven in other states, such as Illinois and Ohio, to give consumers better rates than are available when shopping for alternative service on their own. Aggregation offers consumers two things they don't have on their own: the power of bulk purchasing, and access to a sophisticated energy manager who has the training to successfully navigate the competitive market.

The bill does not require residents to be part of the aggregation program. AARP recommends the bill be clarified to ensure that residents can choose to stay out of the aggregation before their service is switched.

Support Provisions of H.B. 6473

This legislation contains numerous provisions, some of them "clean up" in nature, and others that have appeared in previous legislation which AARP supported. AARP supports the following specific sections of the bill:

- Notice of public hearings and opportunity to submit comments on rate increases (Section 5)
- Ability of the Office of Consumer Counsel to initiate a review of fuel, purchased gas and transmission adjustment clauses (Section 6)
- Requirement for 3 weeks written notice of a change in generation rate (Section 12). In addition to this, AARP recommends that customers be able to cancel without penalty within the three week period.

Support S.B. 315

One of the biggest complaints from consumers from last year's storms was the lack of communication from their utilities about restoration plans. AARP supports S. B. 315 which will require communication plans.

Support S.B. 109

This bill will help ensure public health and safety by requiring utilities to notify municipalities of customers who have had service disconnected for more than 7 days. Municipal officials may be able to help a family or a senior obtain needed bill payment assistance or other social services.

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Connecticut General Assembly
The Energy and Technology Committee

March 5, 2013

Raised House Bill No. 6473, AAC Concerning Whistleblower Protection, The Purchased Adjustment Clause, Electric Supplier Disclosure Requirements, The Call Before You Dig Program, And Minor And Technical Changes To The Utility Statutes

Testimony of Levco Tech, Inc.

My name is Edward Levene, I am Vice President of Levco Tech Inc. Levco is based in Norwalk Connecticut. In combination with Dominion Retail, Inc. we serve about 60,000 electric customers in Connecticut .

HB 6473

Our comments are directed at one provision of this bill.

Section 12 (f) states: "Each electric supplier shall provide a customer with written notice of a change to such customer's electric generation rate at least three weeks prior to the rate change. The notice shall be distributed in the format and manner approved by the Public Utilities Regulatory Authority." The concept is sound, but from a business perspective it raises several questions such as the following:

- 1) How does a supplier provide at least three weeks' notice on a monthly variable contract?
- 2) Is the purpose of this language to prohibit variable price contracts?
- 3) Is the intent of the language to apply only to fixed-price contracts?
- 4) Does the notification requirement apply to a decrease in price?
- 5) Will the "format and manner approved by the" PURA add additional costs and confusion to suppliers' communications with their customers?

We recommend that this language be modified to apply only to fixed -price contracts with a term of greater than six months, a requirement that has been adopted in another successful retail choice state. Furthermore, the notification should not apply to a price decrease since it is unlikely to influence a consumer's actions. We also believe that it is in consumers' best interest to be educated as to the definition of a "fixed" versus "variable" price, and certainly the PURA could lend its expertise in reviewing and defining this issue of definition which is becoming increasingly controversial in other retail choice states.

Connecticut General Assembly
The Energy and Technology Committee

March 5, 2013

Raised House Bill No. 6473, AAC Concerning Whistleblower Protection, The Purchased Adjustment Clause, Electric Supplier Disclosure Requirements, The Call Before You Dig Program, And Minor And Technical Changes To The Utility Statutes

Testimony of Dominion Retail, Inc.

My name is William Barkas, and I am Manager of State Government Relations for Dominion Retail, Inc. My company is a licensed retail electric supplier with nearly 670,000 electric customers in nine states, including more than 60,000 small mass market customers in Connecticut together with our business partner, Levco Energy. Overall, we serve more than two million retail energy customers in 15 states.

HB 6473

Our comments are directed at only one provision of this bill on which we otherwise take no position. Section 12 (f) states: "Each electric supplier shall provide a customer with written notice of a change to such customer's electric generation rate at least three weeks prior to the rate change. The notice shall be distributed in the format and manner approved by the Public Utilities Regulatory Authority." The language sounds innocuous enough, but from a business perspective it raises several questions such as the following:

- 1) How does a supplier provide at least three weeks' notice on a monthly variable contract?
- 2) Is the purpose of this language to prohibit variable price contracts?
- 3) Is the intent of the language to apply only to fixed-price contracts?
- 4) Does the notification requirement apply to a decrease in price?
- 5) Will the "format and manner approved by the" PURA add additional costs and confusion to suppliers' communications with their customers?

We recommend that this language be modified to apply only to fixed-price contracts with a term of greater than six months, a requirement that has been adopted in another successful retail choice state. Furthermore, the notification should not apply to a price decrease since it is unlikely to influence a consumer's actions. We also believe that it is in consumers' best interest to be educated as to the definition of a "fixed" versus "variable" price, and certainly the PURA could lend its expertise in reviewing and defining this issue of definition which is becoming increasingly controversial in other retail choice states.



STATE OF CONNECTICUT
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION
PUBLIC UTILITIES REGULATORY AUTHORITY

PUBLIC HEARING – MARCH 5, 2013
ENERGY AND TECHNOLOGY COMMITTEE

TESTIMONY SUBMITTED BY CHAIRMAN ART HOUSE

**RAISED BILL NUMBER 6473 - AN ACT CONCERNING WHISTLEBLOWER
PROTECTION, THE PURCHASED GAS ADJUSTMENT CLAUSE, ELECTRIC
SUPPLIER DISCLOSURE REQUIREMENTS, THE CALL BEFORE YOU DIG
PROGRAM, AND MINOR AND TECHNICAL CHANGES TO THE UTILITY STATUTES**

Good morning/afternoon Senator Duff, Representative Reed and members of the Energy and Technology Committee. Thank you for allowing me the opportunity to present testimony regarding RAISED BILL NUMBER 6473 - AN ACT CONCERNING WHISTLEBLOWER PROTECTION, THE PURCHASED GAS ADJUSTMENT CLAUSE, ELECTRIC SUPPLIER DISCLOSURE REQUIREMENTS, THE CALL BEFORE YOU DIG PROGRAM, AND MINOR AND TECHNICAL CHANGES TO THE UTILITY STATUTES.

The purpose of our proposal is to (1) extend the time period for the Public Utilities Regulatory Authority to make preliminary findings on the validity of a utility employee's complaint that an employer has retaliated against such employee for reporting misconduct, (2) modify provisions of the purchase gas adjustment statute, (3) require electric suppliers to provide certain disclosure and notifications, (4) update definitions and increase civil penalties for violation of the Call Before You Dig program, and (5) make technical and other minor changes to the utility statutes.

Section 4 (c and d) - Whistleblower Protections

Provides additional time for a whistleblower to prepare his filing with PURA and extends the time period for PURA to make a preliminary finding on the validity of and utility employee's complaint that an employer has retaliated against an employee for reporting an employer's misconduct from 30 to 90 business days and permit award of back pay, compensatory damages and attorneys' fees. Current law prohibits utilities and related companies from retaliating against their employees who report their employer's misconduct. The provisions of 6-8a outline PURA's responsibilities and procedures for handling these utility employee whistleblower complaints. This proposal amends the process PURA must follow in responding to complaints by employees alleging such retaliation by extending the time period for PURA to make a preliminary finding on the validity of an employee's complaint from 30 to 90 business days. By law, PURA must begin conducting a full investigation 30 days after making its preliminary determination, where an employer can rebut the presumption that its action was retaliatory. The law also specifies that the employee's return to his previous or comparable position must continue until the full investigation is complete.

Outline of Current Preliminary Finding Process

PURA must notify employer within 5 business days of receiving the employee's complaint

PURA needs to consider written response(s) submitted by the employer within 20 business days of receiving the notice.

Both employer and employee, within this 20-day period can (1) submit rebuttal statements in the form of witness affidavits and supporting documents and (2) meet with PURA to discuss the charges; PURA may consider an employer's written response submitted after the 5 day deadline only for good cause shown.

PURA must consider all of these written and verbal responses in making its preliminary decision as to whether the employer should be required to return the employee to his previous or comparable position.

As shown by timeline described above, and based upon its actual experience, PURA has found the current 30 day statutory window for making a preliminary finding to be grossly inadequate. In short, no meaningful or credible investigation into a complaint can be reasonably performed within the existing time period. In particular, as one can imagine, it is almost impossible to seek additional input from the employee and actually issue a preliminary determination in the last 5 days (after 20-day window for employer filings) in order to meet the current 30 day deadline. Therefore, to enhance the likelihood that employee interests (and also ratepayer interests) are not harmed by this unrealistic timeline, PURA seeks to extend the statutory deadline to issue a preliminary finding from 30 to 90 business days.

Section 5(a) – Notice Requirements for Customers of Proposed Change in Rates

Modifies existing statutory provisions that describe the timing and information to be provided by utility companies when they provide notice to their customers that they have filed an application with PURA to amend their rates.

Modifies current law that outlines the timing and information to be provided by utility companies when they provide notice to their customers that they have filed an application with PURA to amend their rates. With this proposed change, PURA is seeking to address the shortcomings in the current open-ended timing structure which frequently can result in customer notices being issued so far in advance of the public hearings that attendance and customer participation is not appropriately encouraged. Under current law, there is no requirement that customer notices include important information like the date, time, and location of scheduled public hearings. This additional information should be provided to customers because the public hearing schedule is established well in advance of the actual public hearings. This proposed change will assist customers by requiring that this important information be included on customer notices in a timelier manner. As is currently the case, customers will also be able to contact PURA directly if they need more information about the public hearings. Lastly, under current law, the wording of customer notices states that customers can obtain additional information about utility rate filings and the public hearing schedule by calling PURA. As a result of this written description, customers frequently call our Consumer Service Unit hoping to have their comments on company's rate filings made part of PURA's docket record. These customers are then frustrated to learn that legally in order for their comments to be included in PURA's docket record- their comments need to be filed in writing or made in person at a hearing of the particular rate case that they have a concern about. This proposed change will assist customers by requiring customer notices to clearly state the manner in which input can be appropriately provided to PURA for those customers who desire to participate in PURA's ratemaking process. One final note. Our original proposed language regarding timing of the notice stated: "but no earlier than six weeks prior to the start of the first evening public hearing(s)". However, the raised bill reads as follows:
"but not earlier than six weeks prior to the public hearing"

Second, our proposed language stated:

"(1) the date(s), time(s), and location(s) of the scheduled public hearings,"

The raised bill modified it slightly by removing the plural forms:

"(1) the date, time, and location of the scheduled public hearing"

Knowing that the Authority will hold multiple hearings in many proceedings, the raised bill may need to be revised accordingly.

Section 6 (h) – Streamline the Purchased Gas Adjustment Clause Procedures –

Modifies the provisions of PURA purchased gas adjustment clause (PGA) statute by: 1) requiring PURA to hold a public hearing no less than annually on the PGA in lieu of the current 6-month public hearing requirement, and 2) specifying that PURA is required to hold a public hearing on the PGA at any time if the Office of Consumer Counsel files an application requesting such a hearing. In general, natural gas customers pay for their fuel through two primary components on their utility bills: a base rate and the purchase gas adjustment clause (PGA). The base rate includes an estimate of fuel prices for the 12 month period following a general rate decision. The PGA adjusts the fuel portion of base rates to reflect the actual fuel costs incurred by the local distribution company (LDC). The PGA can appear on customer bills as a credit if fuel prices have decreased or charge, if the fuel costs have increased since the setting of base rates. Every month, the state's three gas distribution companies (Connecticut Natural Gas, Southern Connecticut Gas and Yankee Gas) file with PURA their proposed PGA for the following month. PURA reviews these proposed monthly PGA figures and, if necessary or requested to do so by the Office of Consumer Counsel (OCC), holds an administrative proceeding on these filings. Following PURA approval, the LDCs charge natural gas customers at the newly adjusted monthly PGA level. Semi-Annual PGA Investigations

Currently, in each calendar year PURA is required to conduct two investigations to determine the accuracy of the previous six-month PGA collection level. The first proceeding covers the period September 1 through the end of February. The second proceeding includes the period March 1 through August 31. The second proceeding also includes a further true-up of actual fuel costs and recovery based on the difference between the PGA approved by the Department and the actual amount of money collected through the PGA. This PGA true-up is called the deferred gas cost factor. Once set, the deferred gas cost factor is recovered over the following 11 months. PURA reviews and if necessary makes adjustments to the deferred gas cost factor after it considers the experience of the previous 12 months of PGA recovery.

The basis for proposed change is that the existing provisions for the PGA require semi-annual proceedings. These semi-annual periods covered do not reflect actual natural gas industry practices. Rather, natural gas industry fuel planning is annual, normally November 1 through October 31. Fuel used in the winter is more expensive, and includes fuel "saved up" from the previous summer. Summer fuel is less expensive and is "put aside" for use the following winter. Therefore, no six-month period can accurately reconcile the planning and purchase of fuel and the period in which it is consumed or recovered. Only an annual PGA review can accurately match the gas industry's operating practices and the manner in which fuel is bought, consumed and costs recovered from ratepayers. Under the current six-month investigation parts of the review are redundant because much of the earlier period's information must be reviewed again. As a result, PURA staff, LDCs, and other participants must dedicate significant resources twice a year to review fuel costs and the recovery of these costs. PURA believes that by allowing an annual review great administrative efficiency can be attained while improving accuracy and minimizing the mismatch of data review and cost

recovery. It is also important to note, that by issuing a formal decision in the first semi-annual investigation, PURA is prevented from revisiting approved PGAs from an earlier period even if a review of the full annual gas industry operating cycle would suggest an adjustment should have been made.

As a result of the proposed change, PURA recognizes that circumstances will arise that will justify a hearing on the PGA prior to the annual review proceeding. To address this issue, this proposal modifies the current statute to specify that PURA is required to hold a public hearing on the PGA at anytime if the Office of Consumer Counsel files an application requesting that we do so.

Through these various proposed changes, PURA seeks to modify the existing statute in the interest of improving the annual PGA process for PURA, the gas companies and the State's natural gas customers.

Section 12 (f) (5 and 6) – Suppliers Notifying Customers of Rate Changes and Disclosing Renewable Energy Sources

Proposed amendment to §16-245o requires electric suppliers to: (1) notify customers of rate changes at least three weeks prior to charging the customer a new rate; (2) disclose the specific type and percentage of any voluntary renewable energy source offered beyond the mandated level (voluntary green products); and (3) submit standard contracts and marketing materials for voluntary green products for Authority's prior approval. This proposal also restricts electric suppliers from advertising or charging a premium for any renewable energy credits that is not approved as a Connecticut renewable energy credit (the current CT approved RECs are Class I, II or III RECs). The proposal also transfers responsibility from DEEP to PURA to reflect current practice. This proposal is intended to combat the "teaser rate" problem existing in the electric generation market. A number of electric suppliers have been advertising a very low rate, then after one month, the suppliers would impose a rate hike (up to 100%) without informing the customers. This proposal would require the supplier to notify the customers of the rate increase with sufficient time for customers to change electric suppliers prior to the rate increase being implemented. This proposal is also intended to combat the problem of suppliers advertising and selling "voluntary green" products where such "green" attributed cannot be verified. Under this proposal, electric suppliers are permitted to advertise and charge a premium for only Class I, II or III renewable energy credits because these are monitored and approved by the Authority.

Sections 15 – 25 – Improvements to CBYD (Underground Damage Prevention Program) Laws

Increases the maximum civil penalty for violations of these Statutes and associated regulations and updates definitions to reflect current practices and technologies.

It has been many years since the underground damage prevention statutes and regulations have been updated. In light of new technology, new federal government regulations and increased public concern over excavation damage, it is time to revise these statutes and regulations. It is important to note that a failure to strengthen these provisions most likely would result in decreased federal grant funding. If these changes are approved, PURA anticipates proposing changes to the regulations after the effective date of the statutory revisions. Some of the definitions have been updated to reflect current practices, such as exempting homeowners from being considered a 'public utility'. The exemption for tilling for agricultural purposes has been removed in anticipation of a modification to regulations creating a new method of coordination between farmers and public utilities.

We also have two suggested changes to the CBYD portion of the bill.

1. The original PURA proposal clarified the language in the definition of "Approximate location of underground facilities" since the existing definition did not make sense. It is important that this change be made so that the 'approximate location' is tied to the actual location of the facility.

Here is our proposed language:

16-345-8 "Approximate location of underground facilities" means a strip of land not more than three feet wide centered on the actual location of an underground utility facility or a strip of land extending not more than one and one-half feet on either side of the actual location of an underground [facilities.]Utility facility.

2. In the proposed bill, it is critical that the 'and' be changed back to 'or' as proposed by PURA. For many utility facilities, the owner and operator are different parties. For example, the Iroquois Gas Transmission Pipeline is owned by Iroquois Gas Transmission System. L.P., but is operated by Iroquois Pipeline Operating Company. If the wording stays as 'and', the Iroquois pipeline would not need to be registered with the clearinghouse since no single party owns and operates the pipeline.

Section 26 – Clarification to Customer Security Deposit Requirements

Clarifies current law and current practices by adding references to Department of Banking at appropriate point in the statute that states the basis upon which interest on utility customer security deposits is to be calculated.

Currently, section 16-262j specifies the standard by which interest on utility customer security deposits is to be calculated. In several locations in this section, the statutory provisions make alternative references to the Federal Reserve Bulletin and the CT Banking Commissioner as the basis for determining the appropriate interest rate. As a result of this fragmented statutory drafting, in looking to the statute for guidance on the matter utility customers and companies are frequently confused. The Public Utilities Regulatory Authority regularly receives utility customer and utility company inquiries concerning the amount of interest that utilities pay on customer deposits. In accordance with current law, the Public Utilities Regulatory Authority relies upon the CT Banking Department's deposit index (information posted on Banking Department website) when questions arise about interest rate levels. Therefore, in the interest of eliminating this confusion the Public Utilities Regulatory Authority seeks to better clarify current law and current practices by adding references to the Department of Banking at appropriate point in the statute.

Thank you for allowing me the opportunity to present testimony regarding this bill.

That concludes my testimony and I am available to answer any questions you have.

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DEPUTY SPEAKER BERGER:

Thank you, sir, for your work in education, and welcome to the Chamber.

The House will now return to the Calendar. Will the Clerk please call House Calendar Number 260.

THE CLERK:

House Calendar 260 on Page 46, Favorable Report of the Joint Standing Committee on Judiciary. House Substitute Bill 6473 AN ACT CONCERNING THE PUBLIC UTILITIES REGULATORY AUTHORITY WHISTLEBLOWER PROTECTION, THE PURCDAHSED GAS ADJUSTMENT CLAUSE, ELECTRIC SUPPLIER DISCLOSURE REQUIREMENTS, THE CALL BEFORE YOU DIG PROGRAM, AND MINOR AND TECHNICAL CHANGES TO THE UTILITY STATUTES.

DEPUTY SPEAKER BERGER:

Representative Reed of the 102nd.

REP. REED (102nd):

Good afternoon, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Good afternoon, ma'am.

REP. REED (102nd):

Good to see you there.

DEPUTY SPEAKER BERGER:

Good seeing you.

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REP. REED (102nd):

I move for acceptance of the Joint Committee's Favorable Report and passage of the bill.

DEPUTY SPEAKER BERGER:

The motion before the Chamber is acceptance of the Joint Committee's Favorable Report and passage of the bill. Will you comment further, Representative?

REP. REED (102nd):

This bill is designed to strengthen certain consumer protections that are under the oversight of PURA the Public Utilities Regulatory Authority.

Also, there is in the Clerk's possession an amendment and I respectfully request that you have him call it. It is LCO 6956 and I request that I be allowed to summarize.

DEPUTY SPEAKER BERGER:

Thank you, Representative. Will the Clerk please call LCO Number 6956 which will be designated as House Amendment "A".

THE CLERK:

House Amendment "A", LCO 6956 introduced by Representative Reed, et al.

DEPUTY SPEAKER BERGER:

The Representative seeks leave of the Chamber to summarize the Amendment. Is there objection to summarization? Is there objection to summarization?

Seeing none, please proceed, Representative.

REP. REED (102nd):

Thank you, Mr. Speaker. The purpose of this Amendment, and it is a strike all Amendment, is among other things, to require that suppliers notify consumers in a timely manner when electric rates are going to change.

And it also designates the Banking Commissioner as the one who should choose what the rate should be, the interest rate should be on those deposits that consumers make to utility companies. I move adoption.

DEPUTY SPEAKER BERGER:

The motion before the Chamber is adoption of House Amendment Schedule "A". Will you remark further on House Amendment "A". Representative Hoydick of the 120th.

REP. HOYDICK (120th):

Thank you, Mr. Speaker, good afternoon.

DEPUTY SPEAKER BERGER:

Good afternoon, ma'am.

REP. HOYDICK (120th):

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A few questions, through you to the proponent of the bill.

DEPUTY SPEAKER BERGER:

Please proceed.

REP. HOYDICK (120th):

Thank you. Representative Reed and I have had the pleasure of working on this bill for what seems months now, and there are some very, very good points in the bill that I'd like to enumerate, through you, if you don't mind, sir.

DEPUTY SPEAKER BERGER:

Please proceed.

REP. HOYDICK (120th):

Representative Reed, in Section 1, this allows PURA to employ professionals for their audits and I was just wondering if you could explain what kind of professionals are we talking about that they would require that they don't have on staff? Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Thank you, Representative. Representative Reed.

REP. REED (102nd):

Actually consultants in different areas to look into pricing and various other attributes or things that they need to really study in detail.

Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Hoydick.

REP. HOYDICK (120th):

And I thank the kind gentlewoman for that answer. So this would be, it would be an efficiency measure in a way because it would not, we would not have to employ those experts. We could just go out and consult with them. Is that true? Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Reed.

REP. REED (102nd):

The good lady from Stratford is exactly right. Instead of having these serious skill sets on staff full time paid even when they're not in use, this allows us to be selective about when we seek their expertise.

Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Hoydick.

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REP. HOYDICK (120th):

Thank you very much, Representative Reed for that answer.

And on that same vein, is PURA allowed to, or through this legislation, would they be able to audit cable and telephone companies? Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Reed.

REP. REED (102nd):

Yes, through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you very much. I'd like to move on to Section 3, which is the whistleblower section.

DEPUTY SPEAKER BERGER:

Please proceed.

REP. HOYDICK (120th):

And I know there are some changes in this law, in this language and I was wondering if the kind gentlewoman would explain those changes.

DEPUTY SPEAKER BERGER:

Representative Reed.

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REP. REED (102nd):

So conceptually the whistleblower is the individual in a utility company in this case, who finds some malfeasance, tries to express it or tries to express issues of importance that he feels are not being noticed and is in some way punished for that, either demoted or fired, and PURA has the ability to really study these cases and to report on exactly what happened and come out either for the company, on behalf of the company or on behalf of the individual and that's an exacting thing to have to do.

So we're extending their ability to do that from 30 days to 90 days. Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you very much for that answer, Representative Reed. And along those lines again, I notice that in the bill there are, there's the opportunity for PURA to award either pay backs or attorney compensation under this section. If that for if the whistleblower was found to be in the right stand that they would be able to be compensated for

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any out-of-pocket expenses or any legal fees that they had incurred?

Through you, Mr. Speaker.

\DEPUTY SPEAKER BERGER:

Representative Reed.

REP. REED (102nd):

You're exactly right. Clearly, whistleblowers, and particularly if they're right about the information they have are really putting themselves on the line and if PURA finds that they have been punished in ways that really impact their ability to make a living or the ability to take home the money that they've earned, they can make remuneration and in some ways make sure they get paid back.

Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you very much. Moving on to Section 4, this is the section that talks about rate changes and there's noticing requirements to consumers when rates are changing, and there are some changes in this language from the existing law. If you would share with us what those changes are, I would appreciate it.

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DEPUTY SPEAKER BERGER:

Representative Reed.

REP. REED (102nd):

Yes. Again, the good lady is exactly right. And this is interesting stuff. It's possible to actually notify consumers too early or too late about rate changes and not really give them enough time to prepare for these kinds of things and to put it in large enough type on documents so that they actually know.

So this is creating a mechanism by which consumers receive notification in a timely manner.

Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you very much. So if my contract with a third party marketer or supplier is expiring in 90 days and they notice me in 90 days, that's precluded in this new law, is it not? The new law says that they only have a certain number of weeks before the expiration, or am I misunderstanding that? Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

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Representative Reed.

REP. REED (102nd):

I believe the lady is right. Through you,
Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you very much for that answer. In Section
5 we're going to talk a little bit about rate
adjustments for the gas and electric company and I
believe water as well, and new language has the Office
of Consumer Counsel reviewing this. Were they always
a part of the rate proceedings or is this something
new to the law?

Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Reed.

REP. REED (102nd):

I believe they had an ancillary role, but now
they're full participants, which is really a very good
addition in terms of protecting consumers.

Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Hoydick.

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REP. HOYDICK (120th):

And I would agree. This is truly a consumer protection law.

They also establish, I guess it's in Section 8, when your contract expires, your electricity contract expires, and you are currently buying from a third party supplier or marketer, you're again noticed. Now the law will change and your expiration will be noticed a little differently.

However, at that point in time, you can either hold over or you automatically go into standard offer, which as we know in the proposed, one of the finance proposed bills may not be through your local utility company but the good State of Connecticut.

But in that process, is there any difference from how we're doing business now, or is this pretty much staying the same? Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Reed.

REP. REED (102nd):

We are actually asking, or tasking PURA with the job of creating regulations to determine this instead of DEEP, so the regulatory authority that deals with these kinds of things will be given the task of how to

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notify consumers that their supplier is about to change, or that the supplier has gone broke, or tell them what their options are.

Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Hoydick.

REP. HOYDICK (120th):

That's encouraging to have your supplier go broke, but I guess that's a possibility, right?

I thank the good, the gentle lady for her answer.

Moving on to Section 11, this is where that particular supplier or aggregator needs to require some information about their products that they're advertising and one of the subjects that has had a good bit of leg work around this building is renewable energy credits. I don't know if anybody's ever heard of it, but there's been a lot of buzz lately.

But you can right now purchase electricity that has more than 10 percent renewable energy as its product and I was wondering how that advertising, that marketing is going to change in this bill. Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Reed.

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REP. REED (102nd):

Through you, Mr. Speaker, correct. You may now advertise that you supply actually more clean energy to a consumer than is even allowed by law, or you know, encouraged by law so that you're the good, green guys.

And, but we've never had any requirement that that be backed up with evidence, so in this bill we are now requiring that if those claims are made, truth in advertising needs to be exact and we need to know what your evidence is. Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you very much for that answer. So right now, when we buy any energy, any electricity, it has to be, I think 10 percent from renewable resources.

But if I wanted to be greener than I already am, I could buy 20 percent, maybe 30 percent, or whatever that supplier could offer or another supplier could offer.

Is that correct? Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Reed.

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REP. REED (102nd):

That's exactly right, and we want to make sure that if that were the case, and if that is important to you and if that is the reason you are making your choice, that you're actually choosing a supplier who is in fact, offering you 15 or 20 percent renewable and can back it up.

Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you very much. And then I was also happy to see that the bill is much shorter in length than when we reviewed it in Committee and I was wondering if the kind gentlewoman could explain what's been removed from when we voted this bill out of Committee?

Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Reed.

REP. REED (102nd):

Well, this is one of the wonderful things of having folks from both sides of the aisle working on these bills together, and this has been a really

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productive process and one that I certainly welcome and have enjoyed.

We had a call before you dig section that had a lot of moving parts and a lot of parts that weren't very moving and it had fines and it had concerns in terms of the Farm Bureau, you call before you till. The road crew, you call before you do any milling on the roads.

It got very, very, the architecture of it was really unmanageable, so probably next year we'll study that and see what's really required, but this came from the U.S. Department of Transportation, but we really realized through a discussion that we were not ready to really embrace this yet in law until we know more about how it impacts all of the stakeholders, so we took that section out. Through you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Representative Hoydick.

REP. HOYDICK (120th):

Thank you very much for this answer, and I thank the kind gentle lady for all of her answers to these questions.

This is, Mr. Speaker, a very good bill. It has been negotiated in good faith through the Chairs, the

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Vice-Chairs and the Ranking Members and our research staff. I would encourage adoption from my colleagues. Thank you.

DEPUTY SPEAKER BERGER:

Will you remark further on the Amendment that's before us? Will you remark further on House Amendment Schedule "A"?

If not, I will try your minds. All those in favor of House Amendment Schedule "A" signify by saying Aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER BERGER:

Opposed? The ayes have it. The Amendment is adopted. Will you remark further on the bill as amended? Will you remark further on the bill as amended?

If not, will staff and guests please come to the Well of the House. Will Members please take your seats. The machine will be opened.

THE CLERK:

The House of Representatives is voting by Roll.
The House of Representatives is voting by Roll.

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Will Members please return to the Chamber
immediately.

DEPUTY SPEAKER BERGER:

Have all the Members voted? Have all the Members
voted? If all the Members have voted, the Clerk will
take the tally and the machine will be locked. Will
the Clerk please announce the tally.

THE CLERK:

Bill Number 6473 as amended by House "A".

Total Number Voting 135

Necessary for Passage 68

Those voting Yea 135

Those voting Nay 0

Those absent and not voting 15

DEPUTY SPEAKER BERGER:

The bill as amended passes.

Will the Clerk please call House Calendar Number
435.

THE CLERK:

House Calendar 435, Favorable Report of the Joint
Standing Committee on Approps, Senate Substitute Bill
70 AN ACT RESTORING BENEFITS TO VETERANS DISCHARGED
UNDER "DON'T ASK DON'T TELL".

DEPUTY SPEAKER BERGER:

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Senator McKinney.

SENATOR MCKINNEY:

Thank you, Madam President.

I want to thank Senator Duff for answering my questions.

THE CHAIR:

Thank you.

Will you remark further? Will you remark further?

If not, Senator Duff.

SENATOR DUFF:

Thank you, Madam President.

If there's no objection, might we place this on the Consent Calendar?

THE CHAIR:

Seeing no objection, so ordered.

Mr. Clerk.

MR. CLERK:

On Page 30, Calendar 627, Substitute for House Bill Number 6473, AN ACT CONCERNING THE PUBLIC UTILITIES REGULATORY AUTHORITY WHISTLEBLOWER PROTECTION, THE PURCHASED GAS ADJUSTMENT CLAUSE, ELECTRIC SUPPLIER DISCLOSURE REQUIREMENTS, THE CALL BEFORE YOU DIG PROGRAM, AND MINOR AND TECHNICAL CHANGES TO THE UTILITY STATUTES, Favorable Report of the Committee on ENERGY AND TECHNOLOGY.

THE CHAIR:

Senator Duff.

SENATOR DUFF:

Thank you, Madam President.

Madam President, I move acceptance of the Joint Committee's favorable report and passage of the bill, in concurrence with the House.

THE CHAIR:

The motion is on acceptance and passage, in concurrence with the House.

Senator Looney.

SENATOR LOONEY:

Yes. Thank you, Madam President.

Before beginning this Bill, I would like to -- to yield to Senator Witkos.

THE CHAIR:

Senator Witkos. Will you accept the yield, sir.

SENATOR WITKOS:

Yes. Thank you, Madam President.

I will accept the yield.

Under Article 15 of the Rules, I would like to recuse myself from the discussion and the vote.

And I would like to yield to Senator Kissel.

THE CHAIR:

Senator Kissel.

Will you accept the yield, sir?

SENATOR KISSEL:

Thank you very much.

Under Article of Rule 15, I would like to excuse myself from this vote.

Thank you.

THE CHAIR:

Thank you.

Senator Duff, now that the Senators have left the Chamber, would you proceed, sir?

SENATOR DUFF:

Thank you, Madam President --

THE CHAIR:

And let me finish by saying the motion is on adoption -- acceptance and passage, in concurrence with the House.

SENATOR DUFF:

Thank you, Madam President.

Madam President, actually the -- the title of the bill is much longer than the actual bill, I believe at this point. We have -- it is mostly a technical bill that has been scaled back way more than the -- the title would suggest.

The bill basically requires electric suppliers -- we have worked this through with the (inaudible) Consumer Council and -- and others notification from -- from the standpoint of supplier agreements that -- that are with customers, and it makes -- it makes some various and technical conforming changes and administrator changes. Has no fiscal impact. Against, just a very technical energy bill.

And I would urge the Chamber's adoption.

Thank you.

THE CHAIR:

Will you remark? Will you remark?

Senator Chapin.

SENATOR CHAPIN:

Thank you, Madam President.

Madam President, some questions to the proponent.

Through you, please.

THE CHAIR:

Please proceed, sir.

SENATOR CHAPIN:

Thank you, Madam President.

Section 11, I believe, deals with rate disclosure and if I'm understanding -- understanding it correctly, we're requiring generators to give 60 days' notice prior to the terms of, I -- I assume the terms being the rates changing. Is that correct?

Through you, Madam President.

THE CHAIR:

Senator Duff.

SENATOR DUFF:

Thank you, Madam President.

Yes, that is correct.

THE CHAIR:

Senator Chapin.

SENATOR CHAPIN:

Thank you, Madam President.

And again, through you.

I believe it's in the same section, at least in the OLR write up. It talks about a renewable energy disclosure. Can the gentleman tell me exactly what that's intended to do.

Through you, Madam President.

THE CHAIR:

Senator Duff.

SENATOR DUFF:

Yes. Let me just find that Section, Madam President.

THE CHAIR:

The Senate will stand at ease, sir.

(Chamber at ease.)

SENATOR DUFF:

Madam President.

THE CHAIR:

The Senate will come back to order.

Senator Duff.

SENATOR DUFF:

In Subsection 6 here, it says, any electric supplier offering any services or products that contain renewable energy attributes, other than the minimum renewable energy credits used for compliance (inaudible) renewable portfolio standards, shall disclose in each customer contract and marketing materials for each such service or product, the renewable energy content of the product or service offering and shall make available on the electric (inaudible) Internet website, information sufficient to substantiate the marketing claims about such content.

So basically, what we're doing is making sure there is proper disclosure in any of the types of renewable energy that's being offered through customer's bills and the procurement of that.

Through you.

THE CHAIR:

Senator Chapin.

SENATOR CHAPIN:

Thank you, Madam President.

And again, through you.

Is there a -- a typical contract length? This section talks about upon renewal of the contract. Is that a -
- a standard in statute that we set?

Through you, Madam President.

THE CHAIR:

Senator Duff.

SENATOR DUFF:

Thank you.
No. There's no standard.

THE CHAIR:

Senator Chapin.

SENATOR CHAPIN:

Madam President, I'm sorry. I missed his answer.

THE CHAIR:

Senator Duff, will you repeat your answer, sir.

SENATOR DUFF:

Sure.

I'm not aware of any contracts that are standard.

THE CHAIR:

Senator Chapin.

SENATOR CHAPIN:

Thank you, Madam President.

Regarding the sections where we're transferring some of the authority from the Department of Energy and Environmental Protection to the Public Utilities Regulatory Authority. Is this consistent with, I think it was Public Act 1180, that we passed a couple of years ago that -- that did similar things when we combined the former DPUC with DEP?

Through you, Madam President.

THE CHAIR:

Senator Duff.

SENATOR DUFF:

Yes. There were -- when the DPUC was turned into PURA and then Department of Energy and Environmental Protection turned into DEEP, there were a number of different changes that were made and I think this is just -- this legislation is just clarifying some of those procedures.

Through you, Madam President.

THE CHAIR:

Senator Chapin.

SENATOR CHAPIN:

Thank you, Madam President.

I -- I thank the gentleman for his answers.

Madam President, I, having heard the answers to those questions, I'm -- I stand in support of the bill before us.

I do believe that the proponent is correct, that the title seems excessively long for what the bill does, but I do think it's a good bill and it deserves support.

Thank you, Madam President.

THE CHAIR:

Thank you.

Will you remark? Will you remark?

If not, Mr. Clerk, will you call for a roll call vote and the machine will be opened.

THE CLERK:

Immediate roll call has been ordered in the Senate.
Senators please return to the Chamber. Immediate roll call has been ordered in the Senate.

THE CHAIR:

If all members have voted, if all members have voted, the machine will be closed.

Mr. Clerk, will you call the tally?

THE CLERK:

House Bill 6473.

Total Number Voting	32
Necessary for Adoption	17
Those voting Yea	32
Those voting Nay	0
Those absent and not voting	4

THE CHAIR:

Bill passes.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, some additional bills to mark at this time.

First is on Calendar Page 39, Calendar 227, Senate Bill 819, from the Committee on Planning and Development.

Then Calendar Page 5, Calendar 278, Senate Bill 709, from the Committee on Public Safety and Security.

Then Calendar Page 7, Calendar 398, Senate Bill 1065, from the Public Health Committee.

And then under Matters Returned, Calendar Page 43, Calendar 384, Senate Bill 1067, also from the Public Health Committee.

And then, Madam President, on Calendar Page 15, Calendar 516, House Bill 5500, from the Committee on Higher Education and Employment.

And Calendar Page 21, Calendar 575, House Bill 6562, also from Higher Education.

And then, Madam President, on Calendar page 46, under Matters Returned, Calendar 137, Senate Bill 837, from the Committee on Aging.

And then, Calendar Page 5, Calendar 333, House Bill 5759, from the Committee on Aging.

And Calendar Page 5, Calendar 334, House Bill 6396, also from the Committee on Aging.

So would -- would mark those items at this time, Madam President.