

# Office of Consumer Counsel



## *At a Glance*

**ELIN SWANSON KATZ, *Consumer Counsel***

***Established - 1975***

***Statutory authority - Connecticut General Statute §16-2a***

***Central office - Ten Franklin Square, New Britain, CT 06051***

***Number of employees - 14***

***Recurring operating expenses - \$2,858,837***

***Organizational structure – Independent office. Department of Energy and Environmental Protection provides administrative support pursuant to Public Act 11-80.***

## **Mission**

***The Office of Consumer Counsel serves as a strong independent voice for Connecticut's public utility and telecommunications consumers through advocacy and customer education.***

## **Statutory Responsibility**

The Office of Consumer Counsel's ("OCC") statutory responsibilities include:

- Advocating for Connecticut's ratepayers in all matters which impact them regarding public service companies, electric suppliers, and certified telecommunications providers;
- Participating in any regulatory or judicial proceeding, federal or state, which involves the interests of Connecticut ratepayers, or matters affecting utility services provided in Connecticut;

- Representing ratepayers as a party to each contested docket before the Public Utilities Regulatory Authority (“PURA”);
- Appealing decisions, orders, or authorizations in any state regulatory proceeding;
- Addressing issues involving rate increases and ratepayer-funded programs, and matters concerning the reliability, maintenance, operations, infrastructure, and quality of service of utility companies, suppliers and providers;
- Working actively with the State legislature, including through the Energy and Technology Committee, in developing utility-related legislation in the best interests of Connecticut consumers.

In addition to these statutory responsibilities, legislation passed in June of 2015 establishing the Connecticut State Broadband Office within the Office of Consumer Counsel. The State Broadband Office is responsible for facilitating the availability of broadband access to every state citizen and increasing access to and adoption of ultra-high-speed gigabit capable broadband networks in Connecticut.

### **Public Service**

This year the OCC increased public awareness of the issues and challenges Connecticut utility consumers faced, and advocated on behalf of consumers in many forums, including the following:

- Meeting with political officials and the media, speaking on utility-related issues and voicing ratepayer concerns – On August 26, 2014, Consumer Counsel Elin Swanson Katz, State Representative Henry Genga, Environment Northeast Connecticut Director William E. Dornbos, and AARP Advocacy Director John Erlingheuser joined U. S. Senator Richard Blumenthal (D-Conn.), Connecticut seniors and homeowners at a press conference at the Legislative Office Building in Hartford, Connecticut to condemn Connecticut Light and Power’s (“CL&P”) request to increase its flat rate service charge by 59 percent, calling CL&P’s proposal an unnecessary and unconscionable increase that would unfairly affect low income Connecticut residents, Connecticut’s elderly population and those highly efficient electricity users who regularly take steps to conserve energy. On December 1, 2014, in response to impending electric bill increases for Connecticut residents, Consumer Counsel Elin Swanson Katz gathered with Senate Majority Leader Martin M. Looney, AARP Advocacy Director John Erlingheuser, and Connecticut Consumer Action Group Executive Director Tom Swan and members of the press to discuss high electric rates that were to take place in January 2015. Consumers were advised to budget for higher electric bills, take steps to conserve energy and to use caution when shopping for better prices from electric suppliers.
- Educating the public by providing timely, beneficial information to Connecticut consumers – In Fiscal Year 2014-2015, the OCC encouraged consumers to actively manage their electric bills, urged consumers to be cautious when considering electric suppliers and announced the existence of PURA’s newly designed rate board which makes it easier to compare electric supplier rate offers. In February 2015, the OCC utilized the website to inform ratepayers of the points to be considered and the questions

to be asked when deciding to switch to a competitive electric supplier or to stay with United Illuminating's or Connecticut Light & Power's Standard Service. In addition to utilizing the OCC website, as part of the OCC outreach effort, throughout Fiscal Year 2014-2015 OCC personnel visited several senior citizen locations and attended town hall meetings to listen to concerns about electric suppliers, help consumers to better understand their electric bills and help consumers understand their rights as electric company customers.

- Issuing consumer advisories - Using the OCC website ([www.ct.gov/occ](http://www.ct.gov/occ)), in December 2014, the OCC rebuked the viral email circulating the internet that the government was releasing cell phone numbers to telemarketers, dispelled the rumor of the existence of a separate Cell Phone Do Not Call Registry, informed consumers that there is only one Do Not Call Registry and referred consumers to that registry as a method of stopping unsolicited telemarketing calls on cell phones. In that same article, the OCC alerted Connecticut consumers to the growing use of automated dialers and recorded message calls (or "robocalls") by solicitors, to perpetrate scams and fraud.
- Helping to facilitate resolutions to consumer utility related problems – On November 13, 2014, Consumer Counsel Elin Swanson Katz and Attorney General George Jepsen asked PURA to hold a technical session with respect to Frontier Communications Corporation's (Frontier) purchase of AT&T, Inc.'s (AT&T) Connecticut landline telephone service to address various customer complaints, including service reliability issues, changes in service offerings, difficulties with internet speeds, slow customer service response times, and missed service appointments. OCC asked many questions of Frontier management about general and specific issues that had arisen in its contacts with customers. At that session, Frontier acknowledged that there had been missed service appointments due to the heavy volume of transition-related issues. Several customers attended the technical session and described their issues to Frontier. Frontier brought customer service staff with computers to the technical session in an effort to try to address customer's specific issues "on the spot." Since that session, Frontier has taken a variety of steps to ameliorate customer concerns and solve problems, including making repairs, increasing and re-training customer service personnel, improving customer communication and issuing \$50 credits to U-Verse television customers.
- Supporting consumer-friendly policies, laws, regulations and legal decisions, -
  - a) In August 2014, Consumer Counsel Elin Swanson Katz publically supported Senator Richard Blumenthal, co-sponsor of the Fair Telephone Billing Act, in clamping down on "cramming", the practice of "cramming" fraudulent phone charges "down the throats of consumers" by adding the cost of services consumers never requested to their cell phone bills. The OCC has studied the Federal Trade Commission Staff Report on Mobile Cramming and firmly supports the efforts of those taking steps to combat unauthorized third-party charges on mobile phone accounts.
  - b) Throughout Fiscal Year 2014-2015, Consumer Counsel Elin Swanson Katz was a very strong advocate for laws protecting residential consumers of electricity and,

during the 2015 legislative session, testified on several important bills protecting Connecticut's residential electricity consumers.

- c) In Fiscal Year 2014-2015, Consumer Counsel Elin Swanson Katz and OCC staff member, then State Broadband Coordinator Bill Vallée, continued to aggressively support and advocate for the CTgig Project whose purpose is to provide ultra-high speed gigabit internet access to every Connecticut state resident.

## **Improvements/Achievements Fiscal Year 2014 – 2015**

In Fiscal Year 2014-2015, the OCC continued to operate as a fully independent state agency committed to effectively carrying out its statutory mandate. OCC's specific achievements this Fiscal Year include:

- **Savings to Consumers:** Achieved approximately \$560 million dollars in direct savings to Connecticut ratepayers in the 2014-2015 Fiscal Year through the OCC's advocacy (along with other allies and stakeholders, including fellow state agencies) in dockets before PURA, court decisions, and advocacy in matters before the Federal Energy Regulatory Commission ("FERC") including the following:
  - a. Approximately \$200 million in annual savings from the Locational Installed Capacity ("LICAP") settlement involving companies that own large generator plants
  - b. \$97.5 million in savings from the Eversource/Connecticut Light and Power rate case
  - c. \$45 million in annual savings from the United Illuminating rate case
  - d. \$30 million in ratepayer benefits resulting from the Frontier acquisition of AT&T
  - e. \$30 million in rate refunds and a projected \$25 million in electric transmission rate reductions due to FERC return on equity complaints.
  - f. Bill credits and rate freeze providing approximately \$20 million in benefits to Aquarion Water Company customers.
  - g. An overearnings and rate freeze settlement providing approximately \$16.5 million in ratepayer benefits to Eversource/Yankee Gas Company customers.
  - h. Bill credits and rate freeze providing approximately \$12 million in benefits to Connecticut Water Company customers.
  - i. \$8.2 million in annual savings from the CL&P Storm Cost Recovery docket
- **Advocacy in PURA Dockets:** OCC participated in over 400 dockets in Fiscal Year 2014-2015 opened or re-opened by PURA including:
  - a. Docket No. 14-05-06, the Connecticut Light & Power's application for a \$231.8 million rate increase of which only \$135 million was ultimately granted;
  - b. Docket No. 14-01-46, the telecommunications docket and associated settlement negotiations resulting in the approval of Frontier's purchase of AT&T's Connecticut landline telephone service, AT&T's Connecticut broadband and U-

Verse services (U-Verse internet, voice and television) in Connecticut and other assets;

- c. Docket No. 15-03-45, the March 25, 2015 joint application of Iberdrola, S.A. (“Iberdrola”) and UIL Holdings (“UIL”) proposing a change of control of three Connecticut utilities---The United Illuminating Company (“UI”), The Connecticut Natural Gas Corporation (“CNG”) and The Southern Connecticut Gas Company (“SCG”)--- to the proposed acquiring parent company, Iberdrola, an international corporation based in Spain, with regulated and unregulated energy and utility holdings in Spain, the United Kingdom, Brazil, Mexico, the United States and elsewhere; and
  - d. Docket No. 13-07-18, the docket in which PURA reviewed the current operations and marketing rules governing Connecticut’s electric suppliers and established rules regarding electric supplier products, filing requirements, marketing conduct, customer notices and disclosure requirements.
- **Legislative Advocacy:** The Office of Consumer Counsel actively participated in the 2015 legislative session, testifying on several measures proposed by the Energy and Technology Committee, including House Bill No. 5281, Senate Bill No. 572, Senate Bill No. 573, and Senate Bill No. 575. House Bill No. 5281, *An Act Capping the Fixed Customer Charge for the Residential Customers of Electric Distribution Companies*, proposed a cap on the residential fixed customer distribution charge in order to give customers more control over their electric bills as well as an incentive to participate in energy efficiency measures. Consumer Counsel Elin Swanson Katz testified in support of Senate Bill No. 575, *An Act Concerning Electric Rate Transparency*, which sought to improve transparency in rate cases and allow more public comment opportunities regarding amendments of public service company rate schedules. The OCC also supported Senate Bill No. 572, *An Act Concerning Gigabit Internet Access* which sought to increase Connecticut consumers’ access to low-cost, ultra-high-speed gigabit internet networks. Consumer Counsel Elin Swanson Katz strongly advocated for Senate Bill No. 573, *An Act Concerning Variable Electric Rates*, which proposed a ban on variable rates charged to residential electric customers for electric generation services, stating “Too many consumers have been surprised by outrageously high variable rates that they only found out they were being charged after the fact.” Senate Bill No. 575, *An Act Concerning Electric Rate Transparency*, and Senate Bill No. 573, *An Act Concerning Variable Electric Rates*, were passed and became law in June of 2015. Senate Bill No. 572 transformed from *An Act Concerning Gigabit Internet Access* to *An Act Establishing the Office of Broadband Advocacy* and became law in June 2015, creating an Office of Broadband Advocacy within the Office of Consumer Counsel to facilitate the availability of broadband access to every state citizen.
  - **Federal Advocacy:** On February 26, 2015, on hand because of a special invite from the Federal Communication Commissioner Tom Wheeler’s Office, Consumer Counsel Elin Swanson Katz and State Broadband Policy Coordinator Bill Vallee joined a delegation of Connecticut state broadband leaders---Comptroller Kevin Lembo, state Senator Beth Bye (D-West Hartford) as the Federal Communication Commission (“FCC”) voted to reclassify broadband as a Title II service under which the FCC can require

telecommunications providers like AT&T, Comcast, and Verizon to ensure “net neutrality” for all users. The FCC voted to adopt strong, open internet rules to ensure that Americans reap the economic, social and civic benefits of an open Internet today and into the future. The FCC also voted to preempt state laws that prevent or hinder towns from developing ultra-high-speed gigabit networks.

- **Advocacy in Court Cases:** In Fiscal Year 2014-2015, the OCC was a party in ten Administrative Appeals to the Superior Court, one appeal to the Connecticut Appellate Court, one appeal to the Connecticut Supreme Court and three appeals to the United States Circuit Court of Appeals (“USCA”). Included in these cases was the OCC’s continued involvement in the *Kleen Energy Systems v. Department of Energy and Environmental Protection* Connecticut Supreme Court appeal, which potentially will save CL&P customers approximately \$5.5 million once decided, and two *United Illuminating v. Public Utilities Regulatory Authority, et. al.* Superior court appeals, which potentially could cost Connecticut consumers a minimum of \$3.6 million.

During Fiscal Year 2014-2015, the OCC also successfully advocated in 2 appeals:

1. *Richard Civie, et. al. v. Connecticut Siting Council, et. al.*, an appeal before the Appellate Court, in which the OCC and CL&P are intervening defendants, is an appeal from a judgment granting CL&P a certificate of environmental compatibility and public need. The Superior Court had dismissed the appeal after concluding that Plaintiffs, Richard Civie and Victor Civie, were not classically aggrieved as required under the Uniform Administrative Procedure Act (“UAPA”) and, therefore, lacked standing. OCC filed its brief in this matter on December 29, 2014, submitting that the Superior Court properly determined that the Plaintiffs were not aggrieved by the Siting Council decision and do not have standing, while Plaintiffs Richard Civie and Victor Civie claimed the Superior Court erred in concluding that they were not aggrieved by the Siting Council’s decision. On June 16, 2015, the Appellate Court agreed with the OCC and affirmed the original judgment of the Siting Council.
  2. *Office of Consumer Counsel v. Public Utilities Regulatory Authority, et. al.*, OCC’s Superior Court appeal of the 2013 Aquarion Water Company rate case in which the OCC objected to Aquarion being granted a premium return on equity after acquiring United Water Works Inc. and United Water Connecticut. In the court’s March 3, 2015 decision, it agreed that Aquarion should not have been granted a premium return on equity after acquiring United Water Works Inc. and United Water Connecticut, vacated PURA’s decision awarding the premium to Aquarion and remanded the case back to PURA to again decide whether Aquarion qualified for a premium return on equity based on past acquisitions.
- **State, National and Regional Advocacy in Key Organizations, Committees, and Boards**

- a. In November, 2014, OCC staff member, Victoria Hackett, spoke on a panel entitled "*Have I Got a Deal For You! Recent Developments and Reforms for Retail Energy Markets*" at the annual Meeting of the National Association of State Utility Consumer Advocates ("NASUCA"). Staff member Hackett discussed how the market abuses that were occurring in Connecticut led to a groundswell of support for legislative changes to protect electricity consumers.
- b. Joseph Rosenthal, a Principal Attorney for OCC, continued to be on the Coordinating Committee for the Consumer Liaison Group ("CLG"), a New England-wide entity which hosts public meetings on a quarterly basis to consider significant topics affecting electricity consumers, with a particular focus on high-use commercial and industrial customers. The topics discussed included on-site generation, development of gas pipeline infrastructure accessible to New England power plants, regional market design, and development and transmission of large-scale hydropower from Canada. Being involved with CLG is part of OCC's effort to work with stakeholders to try to reduce electricity prices, particularly during the winter months when electricity prices have been spiking. OCC agrees with many stakeholders that promoting reasonably-priced energy infrastructure development in the region will reduce prices and help solve potential reliability issues.
- c. On May 4, 2015, Principal Attorney Joseph Rosenthal gave a speech on consumer issues for rooftop solar installations to the National Rural Electric Cooperative Association ("NRECA") in Washington, DC. NRECA is the national service organization for more than 900 not-for-profit rural electric cooperatives and public power districts providing retail electric service to more than 42 million consumers in 47 states. NRECA helps its members adapt to new technologies and advocate for common sense policies.
- d. Consumer Counsel Katz participated in a July 9, 2014 workshop with a national focus co-hosted by the Electric Power Research Institute ("EPRI") and the Edison Electric Institute ("EEI") on the "Role of the Electric Distribution System in an Integrated Grid." Consumer Counsel Katz was the only public advocate invited as a panelist, and spoke on the topic, "*A New Paradigm for Electricity Distribution: The Forces for Change.*" Consumer Counsel Katz asked that the needs and desires of the consumer of the future be considered as plans for changes in our energy systems are developed. Other panelists included District of Columbia Public Service Commissioner Chair Betty Anne Kane, Carl Pechman of the Department of Energy ("DOE"), Val Jensen of ComEd, and Mike Rowand of Duke Energy. The panel was moderated by EEI's Rich Tempchin.
- e. In January 2015, Taren O'Connor, OCC staff member and Vice Chair of the Energy Efficiency Board ("EEB"), and EEB Chair Bill Dornbos from the Acadia Center presented background information regarding the EEB and EEB's programs to the Connecticut General Assembly's Energy and Technology ("E&T") Committee. With several freshman legislators named to the E&T Committee, the

presentation served as an introduction to the EEB and a general explanation of how the EEB serves Connecticut's ratepayers through the programs it offers. The programs offered through the EEB service residential consumers, businesses, government and institutions (like schools and hospitals), and Connecticut communities by educating consumers, offering financial incentives along with technical and installation assistance, and providing energy resources now and for the future, at lower costs. These programs are a consumer's first line of defense against high winter energy prices. Most of the committee members were in attendance and had thoughtful comments and questions.

- **Advocacy on Policy Initiatives Impacting Ratepayers**

1. **Broadband**: As part of the OCC's trailblazing effort to bring ultra-high speed Internet access to every address in Connecticut via the CTgig Project, on September 15, 2014, Consumer Counsel Elin Swanson Katz and then State Broadband Coordinator Bill Vallée, stood with New Haven Mayor Toni N. Harp, West Hartford Deputy Mayor Shari Cantor, Stamford Mayor David R. Martin, state Senator Beth Bye (D-West Hartford), and state Comptroller Kevin Lembo and issued a global call for companies and organizations to develop ultra-high speed gigabit or "gig" fiber Internet networks in New Haven, Stamford and West Hartford. The mayors issued a joint Request for Qualifications ("RFQ") seeking information and dialogue with interested parties, hoping to increase access to ultra-high speed gigabit networks in their cities and throughout Connecticut while simultaneously reducing the cost of such networks for Connecticut's businesses, high-tech industry, universities, homeowners and other users. The three cities also invited all other municipalities in the state to join the conversation by simply submitting an addendum describing their town's interest and assets. By December 19, 2014, forty-six municipalities representing over 25 percent of Connecticut's 169 towns and encompassing over half of the state's residents, had joined the effort for Connecticut to lead the nation as the first gigabit state through public-private partnerships. By January 22, 2015, eleven private sector businesses and industry representatives, including two international investment banks, the state's largest telecommunications company, and the leading telecommunications industry group had filed responses to the RFQ. In May 2015, the OCC hosted an all-day conference at Yale (200 persons, 80 municipalities), in addition to presentations to numerous municipal leaders across the state, providing details of the organization and financing options developed by investment bank responses to the RFQ issued by the 46 towns. On June 23, 2015, pursuant to legislation passed, Connecticut formed the Office of State Broadband joining every other New England state in creating agencies or offices dedicated to promoting broadband access. The new Office of State Broadband, a broadband advocacy organization within the Office of Consumer Counsel, will have a central facilitation role in the launch of the CTgig Project and will continue to develop template resolutions and interlocal governance strategies that will be used by state municipalities to engage in the CTgig Project.

2. Pole Administration: The OCC had recommended for over a decade that a statewide utility “pole administrator” be appointed to manage access to utility poles, objectively assign priority of work on the poles and perform audits of the work and safety status of utility poles across the state. In response to the series of storms that ravaged Connecticut over the few years, in fall 2014, PURA ordered a strict schedule for fully authorizing the two Connecticut Electric Distribution Companies to become the “single pole administrators” (“SPAs”) for the state. Accordingly, the new streamlined pole attachment management solutions are fully in place and the statewide database of attachments on all 900,000 poles across the state is well on the way to completion and use. The OCC remains an active participant on the ongoing Work Group that underpins the SPA effort and will work together with the municipalities, competitive phone companies, and cable operators that attach to the poles and conduits across the state to make the SPA a success for all consumers and attachers alike.
- The OCC continued its participation and leadership in utility-related organizations, panels, committees and boards, where it served as a respected voice for ratepayers among state, regional and national policymakers and industry professionals. For example, -
    1. On July 30, 2014, Consumer Counsel Elin Swanson Katz was appointed to serve on the Federal-State Joint Board on Universal Service. The Joint Board is comprised of FCC Commissioners, State Utility Commissioners and one consumer advocate, now Consumer Counsel Elin Swanson Katz. The Federal-State Joint Board on Universal Service works under the auspices of the Federal Communication Commission (“FCC”) and is charged with making recommendations for use of the federal Universal Service Fund (“USF”). The USF is used to provide access to quality and reasonable priced telephone service and now broadband internet service, to unserved or underserved areas or constituencies. On August 6, 2014, the FCC requested that the Federal-State Joint Board on Universal Service provide recommendations on how the Commission should modify the universal service contribution methodology.
    2. On March 11, 2015, Consumer Counsel Elin Swanson Katz joined Kevin Hennessy, Director of State and Local Affairs for New England with Dominion Resources, Inc. and Tracy Babbidge, Bureau Chief of the Energy and Technology Bureau at the Department of Energy and Environmental Protection (“DEEP”) as a panelist at Connecticut Power & Energy Society’s Energy, Environment, and Economic Development Conference entitled “Energy Prices-How High and How Long Are They Going to Last?” Consumer Counsel Elin Swanson Katz spoke on a panel about how environmental regulations impact energy costs, discussed the shift in energy sources used to produce electricity and highlighted the “natural gas paradox” which is that although natural gas is generally cleaner and cheaper than other fuel sources and has led to coal and oil plant disuse, on particularly cold days natural gas as a generation source can lead to increased electricity costs to the many homes and businesses that heat with natural gas.

### **Information Reported as Required by State Statute**

The OCC has complied with all state requirements regarding affirmative action and equal opportunity, most particularly Conn. Gen. Statutes §§46a-70 through 46a-78, and is in compliance with all federal requirements.