

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 - 13

Recurring operating expenses - \$2,380,822

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 regulatory proceeding conducted by the PURA;
- Addressing issues involving rates 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, through the Energy and Technology Committee, in developing utility-related legislation in the best interests of Connecticut consumers.

Public Service - Fiscal Year 2013 – 2014

This year the OCC increased public awareness of the issues and challenges Connecticut utility consumers faced by:

- Issuing consumer advisories via the OCC website (www.ct.gov/occ) – In March 2014, after receiving reports from consumers of being switched to an electric supplier without their permission or knowledge, the OCC joined the Attorney General (“AG”) in urging consumers to use caution when they receive sales calls from electric suppliers asking for account data over the phone. In addition, the OCC and AG, alarmed by a sharp spike in electric rates for some consumers, urged customers of electric suppliers to check the rate on their electric bills, or to contact their electric suppliers for information on their rate. Some electric suppliers had consumers on rates higher than 17 cents per kilowatt hour (kWh) and other customers had been charged rates as high as 24.9 cents per KWh on the bills.
- Educating the public by providing timely, beneficial information to Connecticut consumers – Using the OCC website, the OCC shared information about programs in the state available to Connecticut consumers to help them heat their homes and encouraged consumer participation in Winter Heating Assistance Programs; urged consumers to budget for January 2014’s rising energy prices; informed consumers of new charges or changing charges on their utility bills; informed Connecticut consumers of PURA’s public hearing dates for the electric supplier docket suggesting that consumers with comments or concerns about their experiences with electric suppliers consider attending one of the public hearings being held on the topic.
- Meeting with political officials and the media, speaking on utility related issues and voicing ratepayer concerns – The OCC participated in a Telephone Town Hall hosted by AARP and discussed consumer issues related to electric and telephone utilities in Connecticut including information about consumer rights and protections. Consumer Counsel Elin Swanson Katz was also a panelist at the “Energize CT Energy Forum: What You Can Do to Save on Energy Costs” presented by State Representative Henry Genga of the 10th Assembly District, East Hartford where she warned that the lower introductory rates initially offered by some electric suppliers could suddenly and without warning turn into significantly higher variable electric rates. The Consumer Counsel was also twice a guest on NPR’s Colin McEnroe show to discuss the need for high-speed internet deployment in Connecticut, and also appeared on NPR’s John Dankosky’s show to discuss new rules concerning the electric supplier market. The Consumer Counsel and

other members of her staff also gave numerous other interviews on a variety of topics to news outlets, television news programs, and radio channels.

- Supporting consumer-friendly policies, laws, regulations and legal decisions – In August 2013, a federal administrative law judge agreed with Connecticut and the New England states that earnings paid to electric transmission owners are too high. The OCC joined AG George Jepson and Governor Malloy in applauding this preliminary decision and urged Federal Energy Regulatory Commission (FERC) to approve the lower rate recommended by the administrative law judge. That decision was recently approved, with some modifications, by the FERC Commissions. In November 2013, the OCC attended a dedication ceremony for a new solar facility in Somers, Connecticut; The project is Connecticut’s largest solar installation. An OCC team worked with representatives of the Department of Energy and Environmental Protection (“DEEP”), the Connecticut Energy Finance and Investment Authority (“CEFIA”) and others to select the Somers project along with a solar farm in East Lyme.

Improvements/Achievements Fiscal Year 2013 – 2014

In Fiscal Year 2013-2014, the OCC continued to operate as a fully independent state agency committed to effectively carrying out its statutory mandate. OCC’s specific achievements this year include:

- **Savings to Consumers:** Achieved approximately \$630 million dollars in direct savings to Connecticut ratepayers in the 2013/2014 fiscal year through the OCC’s advocacy (along with other stakeholders and regulatory authorities) in dockets before the PURA, court decisions, and advocacy in matters before FERC including the following:
 1. Approximately \$200 million in annual savings from the Locational Installed Capacity (LICAP) settlement involving companies that own large generator plants
 2. \$75 million in savings from the Connecticut Light and Power rate case
 3. \$70 million in ratepayer benefits resulting from the Northeast Utilities and NSTAR merger
 4. \$49 million in savings from the CL&P Storm Cost Recovery docket
 5. \$45 million in annual savings from the United Illuminating rate case
 6. \$13.5 million in savings from the Connecticut Natural Gas rate case
 7. Approximately \$12.6 million of savings from the Aquarion rate case.
 8. A settlement providing \$9.7 million annually in refunds to Aquarion Water Company customers
 9. A settlement providing \$5 million annually in bill credits to Connecticut Water Company customers
- **Advocacy in PURA Dockets:** OCC participated in over 350 dockets in Fiscal Year 2013/2014 opened or re-opened by the PURA including: the telecommunications docket seeking approval of the change of control from AT&T to Frontier Communications; rate case increases requested by the Aquarion Water Company of Connecticut, Connecticut Natural Gas (“CNG”), Connecticut Light and Power (“CL&P”) and The United Illuminating Company (“UI”); CL&P’s request to recover \$414 million in costs related to Tropical Storm Irene, the October 2011 Nor’Easter, Superstorm Sandy and two unnamed lightning storms; investigative proceedings establishing rules for electric suppliers and distributors for operating and marketing in the Connecticut electric retail market; the natural gas expansion

plan proposed by Yankee Gas Services Company, CNG, and the Southern Connecticut Gas Company to add 280,000 new natural gas customers in Connecticut over the next ten years; and the petition for declaratory ruling filed by The United Illuminating Company, the City of Bridgeport's Redevelopment Agency and The Steel Point Infrastructure Improvement District issued to determine the proper allocation of costs for the relocation of utilities related to the development of the Steel Pointe project in Bridgeport, Connecticut.

- **Legislative Advocacy:** The OCC's participation in the 2014 legislative session included testifying in Support of S.B. 2, *An Act Concerning Electric Customer Consumer Protection*, which sought to increase the funding to DEEP to further develop the "rate board", an electric rate comparison tool used by Connecticut consumers; testifying before the Energy and Technology ("E&T") Committee of the State Legislature on S.B. 355, *An Act Concerning Representation of the State's Interests Before the New England Power Pool* which sought authorization for the OCC to retain consultants to assist in its participation in the New England Power Pool ("NEPOOL"); and testifying on S. B. 256, *An Act Concerning Unauthorized Electric Submetering*, which would allow PURA to fine any party who engages in unauthorized electric submetering. S.B. 2, *An Act Concerning Electric Customer Consumer Protection*, was ultimately passed and became a law on June 3, 2014.
- **Federal Advocacy:** In September 2013, the OCC and other members of the National Association of State Utility Consumer Advocates ("NASUCA") joined with technology companies, and other state consumer advocates in federal court to defend the Federal Communication Commission's open Internet rules designed to protect Internet service consumers and content providers against a challenge by Verizon and MetroPCS.
- **Advocacy in Court Cases:** In Fiscal Year 2013-2014, the OCC was a party in eleven Administrative Appeals to the Superior Court, one appeal to the Connecticut Appellate Court, two appeals to the Connecticut Supreme Court and one appeal to Federal Court. Included in these cases is the OCC's March 2014 appeal of the 2014 Connecticut Natural Gas rate case and OCC's November 2013 appeal of the 2013 Aquarion Water Company rate case. The Aquarion rate case appeal objects to Aquarion being granted a premium return on equity after acquiring United Water Works Inc. and United Water Connecticut. The CNG rate case appeal objects to PURA's use of CNG's true-up mechanism, Distribution Integrity Management Program ("DIMP"), which PURA does not have the statutory authority to implement.

During Fiscal Year 2013-2014, the OCC also successfully advocated in two appeals:

1. In early 2014, the OCC won a Connecticut Supreme Court case resolving a question of procedural interpretation; The Connecticut Supreme Court agreed with OCC's interpretation of the statute regarding the time to appeal a decision subject to reconsideration by an administrative agency. Connecticut consumers stand to benefit from this victory due to the avoided cost of inefficient, duplicative, piecemeal, administrative court appeals.
2. In December 2013, the OCC and its co-defendants, PURA and CL&P, won Superior Court appeal, *Kleen Energy Systems v. Department of Energy and Environmental Protection*, which will save CL&P customers approximately \$5.5 million. This decision is being appealed by Kleen and one portion of the matter remains to be decided in Middletown Superior Court.

- **State, National and Regional Advocacy in Key Organizations, Committees and Boards –**
 1. In January 2014, OCC staff member Taren O’Connor assumed the role of Vice Chair on the State’s Energy Efficiency Board (“EEB”). The EEB is responsible for evaluating, advising and assisting the state’s utility companies in the development and implementation of specific energy conservation plans. The EEB also oversees the Connecticut Energy Efficiency Fund (“CEEF”), provides input to PURA in regulatory matters and to the Department of Energy and Environmental Protection (“DEEP”) to help reach statutorily mandated state energy efficiency goals.
 2. In April 2014, Consumer Counsel Elin Swanson Katz served as a panelist at the New England Energy Efficiency Conference where Consumer Counsel Katz discussed consumer impacts, energy efficiency policies in New England and whether savings relating to energy efficiency investments in the electricity grid benefit the consumer.
 3. In May 2014, an OCC staff member Joseph Rosenthal, as a Coordinating Committee member for the Consumer Liaison Group (“CLG”), held a conference and panel discussion in Maine to focus on two major infrastructure proposals being considered for the region: (i) building new natural gas pipeline capacity in New England and (ii) building transmission lines to access additional hydroelectric resources in Canada. Connecticut’s OCC is involved in this effort because Connecticut industrial consumers are in an electricity price crisis each winter resulting in Connecticut plants reducing shifts, shutting down in the winter and considering relocation options. Consequently, Connecticut’s OCC is doing what it can to promote additional energy related infrastructure development in the region.
 4. The Consumer Counsel was also appointed chair of the newly formed Distributed Energy Resources (“DER”) Committee of the National Association of Utility Consumer Advocates (“NASUCA”) in 2013. The mission of the DER Committee is “To share information and establish policies regarding energy efficiency, renewable energy, and distributed generation and consider best practices for the development of cost effective programs which promote fairness and value for all consumers.”

- **Advocacy on Policy Initiatives Impacting Ratepayers**
 1. Pole Administration: The OCC has 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 Fiscal Year 2013-2014, the OCC filed a brief and reply brief in PURA Docket No 11-03-07 advocating in favor of the “single pole administrator” (“SPA”) concept stating that if the Public Right of Way (“PROW”) on Connecticut’s poles is properly managed, all utilities using the PROW will profit from the improved attachment process and will be able to therefore provide better service to Connecticut’s communities through economic sequencing of attachments and restoration projects, through integrated and transparent data sharing, standardized documents and scheduling, equitable rates, better project oversight, not to mention in reducing the amount of capital needed to complete and sustain the Public Right of Way infrastructure.
 2. Broadband: In April 2014, Consumer Counsel Elin Swanson Katz and State Broadband Coordinator Bill Vallée of the Office of Consumer Counsel hosted a conference about the opportunities and challenges for municipalities seeking to bring high-speed internet or “gig” service to their communities; The well-attended

conference fostered a nationally trailblazing exchange between panels of key state and local leaders as well as representatives from the state's Internet service provider companies regarding the possibilities for high-speed internet deployment in Connecticut. Panelists and moderators at the conference included state Senator Beth Bye, state Representative Lonnie Reed, Connecticut Comptroller Kevin Lembo, Commission Catherine Smith of the Connecticut Department of Economic and Community Development, New Haven Mayor Toni Harp and University of Connecticut Provost Mun Choi.

3. Transition from Copper to Fiber Telecommunications Infrastructure – The OCC joined AARP and its own national organization, NASCUA, before the Connecticut state legislature and the FCC in warning that the transition of basic “plain old telephone service-POTS” from copper networks to internet protocol is a change of greater significance than the Local Exchange Carriers (“LECs”) are claiming. The LECs, true to their historical positions on regulatory matters, claim that regulators such as PURA or the FCC need only be made aware of their plains with no approval required. The OCC understands that while the transition from copper to internet protocol and fiber may be inevitable due to the increased reliability of fiber and the longer lifespan of the associated equipment, this transition requires regulatory scrutiny and transparency with the goal being that no consumers are left behind simply because a new technology is being introduced. During the transition from copper networks to internet phones, the OCC will seek a continuation of the historic protections afforded all consumers of telecom services, no matter what technology is used.
- The OCC continued its participation and leadership in utility-related organizations, committees and boards, where it served as a respected voice for ratepayers among state, regional and national policymakers and industry professionals. For example, OCC staff -
 1. Attended the Northeast Gas Forum, an annual event where representatives from gas utilities, gas supply and pipeline companies and utility regulatory fields meet to exchange key information on the current and future state of gas in the Northeast. At the Northeast Gas Forum, the OCC heard important updates on gas supply and pipeline capacity availability for the Northeast, and rising costs.
 2. Attended the 2014 NASUCA Water Committee Forum which focused on a series of critical issues facing water company consumers.
 3. Attended the April 2014 East Hampton Clean Energy Task Force and gave a presentation on the competitive electric market in Connecticut and third party electric suppliers.
 4. Participated in the Advanced Communications Law & Policy (“ACLP”) Summit where changes in the communications marketplace were discussed, as more and more U. S. consumers move away from the traditional phone service to other technologies such as wireless, Voice Over Internet Protocol (“VOIP”) and high-speed optical fiber for everyday communications.

In addition, Consumer Counsel Elin Swanson Katz was honored as a recipient of the New England Women in Energy and Environment (“NEWIEE”) achievement award. The NEWIEE awards celebrate the accomplishments of women leaders in the fields of energy and environment. Consumer Counsel Katz was one of only 4 recipients to receive this prestigious award.

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. Stat. §§46a-70 through 46a-78, and is in compliance with all federal requirements.