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Proposed Legislation Would Create New Consumer Protections in Electric Supplier Market

For immediate release

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HARTFORD – A package of legislative proposals detailed by Governor Dannel P. Malloy, Attorney General George Jepsen, Consumer Counsel Elin Swanson Katz and Senate President Pro Tempore Donald E. Williams, Jr. (D-Brooklyn) today would seek to address the growing number of consumer complaints about spiking prices, deceptive practices and lack of disclosure about rates and contract terms in Connecticut’s electric supplier market.

“Together, we have made it a priority to bring cheaper, cleaner and more reliable energy to Connecticut residents,” said Governor Malloy. “As a result of that commitment, over the past few years Connecticut consumers have seen electric prices fall after experiencing some of the highest energy costs in the nation. This past winter, as demand spiked and prices rose, we heard from far too many consumers who complained of deceptive practices and unjustified rate increases by electric suppliers. That’s why, today, we are asking legislators to consider a package of proposals that will arm consumers with better information, allow them to make the choices that are right for them, and crack down on unfair and deceptive practices. These proposals will give consumers the information, the certainty, and the security they deserve when buying electricity.”

“Over the past few months, my office has received dozens of formal complaints and hundreds of phone calls from Connecticut residents who were shocked to find that their electric bills had skyrocketed,” said Attorney General Jepsen. “It has become exceedingly clear that greater disclosure in the electric supplier market is necessary to protect consumers. The goal of this legislation is to provide consumers with more information so that they can make the best choices when shopping for an electric supplier and to empower regulators to crack down on deceptive marketing practice within the industry. Consumers also need much greater flexibility to quickly extract themselves from expensive variable-rate plans and to get back onto standard service, which has proved to be a much better deal for the majority of ratepayers.”

“No one should be overcharged for electricity, an essential life service,” Consumer Counsel Katz said. “Unfortunately, we’ve seen an ever-increasing number of complaints from consumers about being misled, overcharged, or switched from one rate to another without their consent. I’ve talked with many of the people filing complaints, and the skyrocketing rates we’ve seen from many of the electric suppliers have created a lot of hardship and difficult choices for them. I glad that today we are presenting a solution that, with the legislature’s support, will make provide more transparency, clarity, and fairness in the electric supplier market. There should be no surprises for consumers when it comes to electricity.”



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"I support strong legislation that will protect consumers against predatory practices that result in higher electric bills, and make it easy for consumers to know the rates they're paying and to switch power providers when it is to their advantage," said Senator Williams.

The state Public Utilities Regulatory Authority (PURA) has received more than 1,300 consumer complaints about electric suppliers and aggregators in 2014, according to its [complaint scorecard](#). Earlier this year, the state's electric utility companies reported that some suppliers were charging rates well above – in some cases, more than double – the standard service rate of just over 9 cents per kilowatt hour.

The proposed bill would require new disclosures consumer and rate disclosures, decrease the switch delay when consumers choose to leave a supplier, impose a three-month fixed-rate requirement in supplier contracts and empower PURA to develop new regulations on sales and telemarketing practices.

"Deceptive business practices almost always target the most vulnerable populations, and whether hard-working families or seniors on a fixed income, Hartford residents should never have to suffer through an unexpected rate hike," said Hartford Mayor Pedro Segarra. "I applaud the efforts of the Governor and Attorney General to protect consumers statewide by holding these third party suppliers accountable."

"This legislative package will better protect consumers from abusive practices in the marketplace and provide people with the information they need to make smart choices when selecting an electricity supplier," state Department of Energy and Environmental Protection Deputy Commissioner Katie Dykes said. "DEEP is committed to providing detailed information about options available in the electric retail market at www.energizect.com – and the requirements of this bill will help us make that Web site an even better resource for consumers."

The 2014 legislative session adjourns on May 7.

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