



STATE OF CONNECTICUT
NEWS RELEASE

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**CONSUMER COUNSEL HAILS PASSAGE OF LEGISLATION PROVIDING
ADDITIONAL CONSUMER PROTECTIONS FOR ELECTRIC CUSTOMERS**

(May 6, 2014 – New Britain) Consumer Counsel Elin Swanson Katz hails the Connecticut Legislature's passage of Senate Bill 2, An Act Concerning Electric Consumer Protection and Clarifying the Property Tax Exemption for Certain Solar Thermal or Geothermal Renewable Energy Sources. Passage of the bill caps a lengthy effort by the Legislature's Energy and Technology Committee to develop legislation that will better protect customers from sudden electric bill increases caused by retail electric suppliers. The bill that passed yesterday will provide a number of new improvements to the existing suite of consumer protections. Most notably, no later than July 1, 2015, residential consumers who purchase power from an electric supplier will see next month's electric rate on their electric bill, giving them an opportunity to switch back to the "standard offer" from Connecticut Light & Power (CL&P) or United Illuminating (UI) within three days if they do not like the electric supplier's rate.

This requirement is part of a comprehensive redesign of electric bills by the Public Utilities Regulatory Authority (PURA) under the new law. After the redesign is complete, the residential bill will include, among other things, the customer's present electric supply rate, the standard offer rate offered by the utility, and the customer's electric supply rate for the upcoming month. Consumer Counsel Katz stated, "No longer will customers face the bizarre and dangerous circumstance of finding out how much their electricity costs after they have already used it. Residents will see the next month's rate right on their bill, and then be able to react if they don't like the rate, including by contacting their supplier, or returning to standard service, before that new rate becomes effective."

Many residents have complained to the PURA, the Office of Consumer Counsel (OCC), and the Attorney General about receiving very high variable rates from suppliers with little or no notice, subjecting some of them to hundreds of dollars in unexpected increases. PURA held hearings around the state this winter, at which OCC and PURA heard customers speak passionately about being unable to afford bills that doubled or tripled in one month's time, and their shock and even anger that they did not receive notice of these extreme rate increases in advance. OCC worked with legislators, the Governor's office, the Attorney General, PURA, AARP, and other advocates to provide input on legislative language. OCC is grateful to those allies for their efforts to protect customers and congratulates the Legislature on the final product.

Until the bill redesign is able to be completed for July 2015, customers will receive quarterly notifications from the utility and their retail supplier of any pending changes to their electric utility rates.

Other protections in the bill will:

- allow customers to be transferred to CL&P or UI's standard service within 72 hours of a request to do so (PURA will be holding a docket to improve switching times between suppliers as well);
- require that all contracts with an electric supplier begin with a fixed term of at least three months;
- limit early termination fees to fifty dollars;
- disallow termination fees for customers on month-to-month variable rates;
- require posting by suppliers on PURA's website and their own website of their highest and lowest variable rates over the past year;
- authorize PURA to develop a summary form of the material terms and conditions of electric supply contracts that must be provided by the supplier as part of its sales effort, to promote customer understanding and comparisons;
- prevent suppliers from raising rates by twenty-five percent or more without giving customers an additional notice fifteen days before the effective date;
- expressly restrict a supplier representative from posing as a utility or government employee and from lying to customers about the existence of a requirement to choose a supplier rather than remaining on utility standard service.
- authorize PURA to analyze, in a docket, whether customers with a financial hardship should be placed on standard service to prevent those vulnerable customers from being overcharged.

Consumer Counsel Katz added, "I am pleased that the legislative effort to provide new and broad consumer protections has culminated in the passage of this important bill by both houses. With the leadership of the Governor, the House and Senate leadership, the Energy and Technology Committee, the Attorney General, PURA, and others, including the thousands of customers who took the time to attend a public hearing or file a complaint, Connecticut now has some of the

most progressive consumer protections for electric consumers. The changes from the bill will ensure transparency in the electric supplier industry, and fundamentally change the way they do business here. I am so pleased that consumers will no longer be surprised by a spike in rates, and then stuck with that rate for months.”

OCC is actively working in a PURA proceeding that is considering additional regulatory changes in this industry and will continue that work on behalf of consumers in the several PURA proceedings that will occur as a result of this bill.

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The Office of Consumer Counsel (OCC) is the State of Connecticut’s advocate for all utility consumers. OCC seeks to ensure just and reasonable rates and reliable utility service for customers of Connecticut’s electric, gas, telephone, and water utilities and reasonable protection for cable television customers. For more information, visit www.ct.gov/occ.