

# STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY  
TEN FRANKLIN SQUARE  
NEW BRITAIN, CT 06051

**DOCKET NO. 18-12-22 INVESTIGATION INTO AMNESTY FOR SUPPLIERS FOR  
CONN. GEN. STAT. 16-245D(A)(2) NEXT CYCLE RATE  
VIOLATIONS**

May 19, 2021

By the following Commissioners:

John W. Betkoski, III  
Michael A. Caron  
Marissa P. Gillett

**INTERIM DECISION**

## **INTERIM DECISION**

### **I. INTRODUCTION**

In this Interim Decision, the Public Utilities Regulatory Authority (Authority) acknowledges its completion of the initial phase of this docket, resulting in bill credits of more than \$9.4 million to customers due to electric suppliers' failure to correctly provide the Next Cycle Rate for residential customer electric bills pursuant to Conn. Gen. Stat. § 16-245d(a)(2), and orders the electric distribution companies (EDCs) to submit final costs to the Authority for review.

### **II. ANALYSIS**

On December 17, 2018, the Authority initiated the present docket to investigate licensed electric suppliers' compliance with Conn. Gen. Stat. § 16-245d(a)(2).<sup>1</sup> Conn. Gen. Stat. § 16-245d(a)(2) requires suppliers to provide the EDCs with certain information to appear on the first page of a residential customer's bill, including but not limited to the next cycle rate. By Decision dated August 12, 2015, in Docket No. 14-07-19RE01, PURA Investigation into Redesign of the Residential Electric Billing Format - Billing Format Clarifications, the Authority determined that the Next Cycle Rate must be displayed on the bill before the rate is incurred by the customer. As a result, the Next Cycle Rate on a customer's bill would display the rate the customer would be billed in the customer's upcoming consumption period.

Upon complaint and subsequent investigation, the Authority had reason to believe several suppliers had not met their requirement of providing the up-to-date Next Cycle Rate to the EDCs in a timely manner and that customers have been overbilled at rates higher than the last amount displayed as their Next Cycle Rate. As a result, the Authority initiated the subject docket to provide amnesty from civil penalties under Conn. Gen. Stat. § 16-41 to any supplier who voluntarily elected to self-report next cycle rate violations up to January 28, 2019, and provided appropriate refunds to any affected customers. Suppliers indicated their willingness to participate in the docket by February 20, 2019, and were instructed to submit their proposals regarding refunds by March 31, 2019.

By Interim Decision dated June 12, 2019 (Refund Decision), the Authority identified the necessary components of any plans to distribute customer refunds to those affected by Next Cycle Rate violations. The Authority stated it would reject any plan that did not conform to these standards:

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<sup>1</sup> The Authority recognized the following as Parties to this proceeding: Aequitas Energy, Inc.; Agera Energy, LLC; Ambit Northeast, LLC; BBPC, LLC d/b/a Great Eastern Energy; Clearview Electric, Inc. d/b/a Clearview Energy; Choice Energy, LLC; Constellation New Energy, Inc.; Direct Energy Services, LLC; Discount Power, Inc.; Energy Plus Holdings, LLC; Engie Retail, LLC d/b/a Think Energy; Hiko Energy, LLC; Liberty Power Holdings; Major Energy Electric Services, LLC; Mega Energy of New England, LLC; National Gas & Electric, LLC; North American Power and Gas, LLC; Reliant Energy Northeast; Perigee Energy, LLC; Spark Energy, LLC; Town Square Energy, LLC; Verde Energy, LLC; Xoom Energy Connecticut, LLC; Office of Consumer Counsel, Ten Franklin Square, New Britain, CT 06051; and the Commissioner of the Department of Energy and Environmental Protection, 79 Elm Street, Hartford, CT 06106.

- Refunds shall not be limited to any specific number of violations or solely to current customers;
- A letter should be included with the refund check to inform customers of the nature of the refund and instructs the customer to cash the check promptly;
- Checks and letters shall be sent to all affected customers on a date determined by the Authority;
- For any checks returned as undeliverable, the supplier shall make a good faith effort, and document procedures used in such effort, to find updated addresses for such customers;
- If refunds remain unclaimed after one year, the supplier shall follow the abandoned property laws as set forth in Conn. Gen. Stat. § 3-60c et seq.

By Decision dated January 22, 2020, (Revised Refund Decision) the Authority modified the Refund Decision regarding the manner in which customer refunds would be issued. Instead of having each supplier issue all refunds, the Revised Refund Decision required that upon approval of an amnesty plan the supplier would work with each EDC to coordinate the validation of active accounts and the transfer of refund monies to each EDC, which funds are to be used as bill credits and applied to known EDC accounts. This would reduce arrearages and, based on the amount of the refund(s)<sup>2</sup>, may result in a credit balance for customers. For any inactive accounts where the billing adjustment resulted in a credit balance to the customer account, the EDCs would follow their current escheatment process. For any account that had been written off, the EDC would apply the refund to their General Service Charge reserve account for uncollectable funds. Suppliers would be responsible for the refunds and escheatment process for any customer account the EDCs cannot locate within their respective billing systems. Suppliers were also required to notify all affected customers. The Revised Refund Decision required suppliers participating in this proceeding either to indicate their willingness to comply with the modified refund proposal or withdraw their participation from the docket.

Twenty-five suppliers<sup>3</sup> elected to participate in the amnesty program and twenty-two<sup>4</sup> submitted amnesty plans regarding violations of Conn. Gen. Stat. § 16-245d(a)(2) concerning the timely display of Next Cycle Rate information on residential customer bills. After receiving initial amnesty plans offering approximately \$4 million in credits to customers, the Authority audited the amnesty data and worked with suppliers to increase the total customer bill credits to \$9,412,918. The Authority approved the twenty-two final amnesty plans covering the period of January 1, 2016, to January 28, 2019, and these bill credits have been or are in the process of being applied to customer bills.

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<sup>2</sup> Customers may be owed a refund from more than one supplier.

<sup>3</sup> Mega Energy of New England originally submitted intent to participate but failed to submit subsequent compliance. On February 19, 2020, the Authority instructed Mega that it needed to submit an electronic copy of its amnesty plan by March 10, 2020, or the Authority would consider Mega withdrawn from the docket. Mega did not respond to the Authority's correspondence and did not submit an amnesty plan.

<sup>4</sup> Three suppliers indicated they either did not serve residential customers or were not present in the Connecticut market during the applicable time.

As a result of the participating suppliers' voluntary participation in this docket, the Authority will forbear from imposing a penalty pursuant to Conn. Gen. Stat. § 16-41 for all Next Cycle Rate violations that occurred between January 1, 2016 and January 28, 2019. Within one year from the date of each supplier's Release Letter, the suppliers are obligated to provide a refund to any customer that it did not identify in its Final Amnesty Plan who can demonstrate that the customer was not timely notified as to the Next Cycle Rate as required by the Authority's August 12, 2015 Decision, in Docket No. 14-07-19RE01. The supplier is required to calculate any such refund in the way it calculated refunds under its Final Amnesty Plan. Acceptance of any supplier's amnesty plan does not preclude any enforcement actions and/or penalties against suppliers due to Next Cycle Rate violations occurring after January 28, 2019. Furthermore, all suppliers that did not participate in this review may be subject to an investigation and possible fines.

The Revised Refund Decision stated:

Upon completion of the bill credit process, the EDCs will be required to submit the total cost for PURA approval. After receiving PURA approval for the implementation costs, the EDCs shall bill each supplier the appropriate cost based on the formula noted above. The supplier shall immediately remit payment to the EDC. The EDCs shall inform the Authority of any supplier not remitting payment within thirty days of being billed, whereupon the Authority will impose a penalty upon and/or draw from that supplier's bond or letter of credit to assure payment to the EDC.

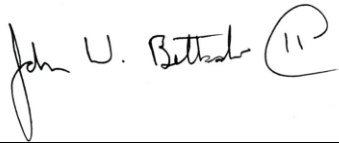
Decision p. 5. As a result, the Authority will order the EDCs to submit the total cost for implementation by September 1, 2021. The Authority will review the total costs and issue a decision regarding the implementation costs if any remain. After receiving final compliance filings from all suppliers one year after their bill credit process has completed, the Authority will issue a subsequent decision detailing the final credit totals issued to all customers.

### **III. ORDERS**

1. No later than noon on September 1, 2021, the EDCs shall submit for the Authority's review and approval the total costs for implementation of the bill credits ordered in this docket.

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This Decision is adopted by the following Commissioners:



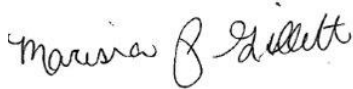
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John W. Betkoski, III



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Michael A. Caron



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Marissa P. Gillett

**CERTIFICATE OF SERVICE**

The foregoing is a true and correct copy of the Decision issued by the Public Utilities Regulatory Authority, State of Connecticut, and was forwarded by Certified Mail to all parties of record in this proceeding on the date indicated.



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Jeffrey R. Gaudiosi, Esq.  
Executive Secretary  
Public Utilities Regulatory Authority

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May 19, 2021

Date