



General Assembly

Substitute Bill No. 5203

February Session, 2022



**AN ACT CONCERNING THE PUBLIC UTILITIES REGULATORY
AUTHORITY'S POWERS, UTILITY ADVERTISING DISCLOSURES,
AND ELECTRIC BILL COMPONENTS.**

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Subsection (b) of section 16-19tt of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2022*):

4 (b) [In any rate case initiated on or after July 8, 2013, or in a pending
5 rate case for which a final decision has not been issued prior to July 8,
6 2013, the Public Utilities Regulatory Authority shall order the state's gas
7 and electric distribution companies to decouple distribution revenues
8 from the volume of natural gas and electricity sales. For electric
9 distribution companies, the decoupling mechanism shall be the
10 adjustment of actual distribution revenues to allowed distribution
11 revenues. For gas distribution companies, the decoupling mechanism
12 shall be a mechanism that does not remove the incentive to support the
13 expansion of natural gas use pursuant to the 2013 Comprehensive
14 Energy Strategy, such as a mechanism that decouples distribution
15 revenue based on a use-per-customer basis. In making its determination
16 on this matter, the authority shall consider the impact of decoupling on
17 the gas or electric distribution company's return on equity and make any

18 necessary adjustments thereto.] In any rate case initiated on or after
19 October 1, 2022, or in a pending rate case for which a final decision has
20 not been issued prior to October 1, 2022, the Public Utilities Regulatory
21 Authority may order the state's gas and electric distribution companies
22 to decouple distribution revenues from the volume of natural gas and
23 electricity sales. The authority shall have the discretion to determine the
24 decoupling mechanism and methodology used in decoupling orders
25 made pursuant to this subsection.

26 Sec. 2. Section 16-19jj of the general statutes is repealed and the
27 following is substituted in lieu thereof (*Effective October 1, 2022*):

28 The Public Utilities Regulatory Authority shall, whenever it deems
29 appropriate, [encourage] permit the use of proposed settlements
30 produced by alternative dispute resolution mechanisms to resolve
31 contested cases and proceedings. In order to approve a settlement of a
32 proceeding to amend rates under section 16-19, the authority shall
33 determine that the resulting rates and other terms of such settlement
34 conform to the principles and guidelines set forth in section 16-19e. The
35 term of any provision in a settlement of a proceeding to amend rates
36 under section 16-19 shall not extend more than three years from its
37 approval by the authority. Any settlement of a proceeding to amend
38 rates under section 16-19 subsequent to an approved settlement of a
39 proceeding to amend rates shall not constitute a general rate hearing for
40 purposes of section 16-19a.

41 Sec. 3. Section 16-19bb of the general statutes is repealed and the
42 following is substituted in lieu thereof (*Effective October 1, 2022*):

43 The Public Utilities Regulatory Authority shall require that any funds
44 held by an electric distribution company in excess of the company's
45 authorized return on equity, which funds are intended by the authority
46 to offset future rate increases in lieu of a present rate decrease, shall be
47 applied to such rate increases or shall be refunded to the company's
48 customers, [within one year of receipt] in a manner determined by the
49 authority, not later than the conclusion of the company's next

50 proceeding conducted pursuant to section 16-19a.

51 Sec. 4. Subsection (c) of section 16-19d of the general statutes is
52 repealed and the following is substituted in lieu thereof (*Effective October*
53 *1, 2022*):

54 (c) [A public service company shall make application to the authority
55 for determination that equipment meets the requirements of
56 subdivision (4) of subsection (b) of this section. The authority shall, to
57 the extent practicable, make such determination within one hundred
58 twenty days of such filing. All reasonable and proper expenses, required
59 by the authority and the Office of Consumer Counsel, including, but not
60 limited to, the costs associated with analysis, testing, evaluation and
61 testimony at a public hearing or other proceeding, shall be borne by the
62 company and shall be paid by the company at such times and in such
63 manner as the authority directs.] On or before February first each year,
64 any gas company or electric distribution company that recovered
65 advertising costs against ratepayers during the previous year shall file a
66 public disclosure report with the authority. For each advertisement, the
67 report shall delineate the dollar amount, source of funding, primary
68 purpose of the advertisement, communications medium or platform
69 and approximate dates during which the advertisement was displayed
70 or transmitted to the public, broken down by type of advertising, by
71 month and by year, and by advertising campaign. Failure to provide
72 complete and accurate data in the report shall constitute a violation for
73 which the authority may levy civil penalties against such company
74 pursuant to section 16-41.

75 Sec. 5. (*Effective July 1, 2022*) The chairperson of the Public Utilities
76 Regulatory Authority shall prepare a report that outlines and analyzes
77 the public policy components of the delivery side of the electric bill for
78 customers of each electric distribution company. The chairperson shall
79 submit such report, in accordance with the provisions of section 11-4a
80 of the general statutes, to the joint standing committee of the General
81 Assembly having cognizance of matters related to energy on or before
82 January 15, 2023.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2022</i>	16-19tt(b)
Sec. 2	<i>October 1, 2022</i>	16-19jj
Sec. 3	<i>October 1, 2022</i>	16-19bb
Sec. 4	<i>October 1, 2022</i>	16-19d(c)
Sec. 5	<i>July 1, 2022</i>	New section

Statement of Legislative Commissioners:

The title was changed for accuracy.

ET *Joint Favorable Subst.*