

Go

SOCIAL NETWORKS WE USE

CATEGORIES

RSS FEED

Subscribe to CT News Junkie's feed

CT TECH JUNKIE FEED

SpaceX Launches First Deep Space Mission with DSCOVR Satellite

Feb 12, 2015 9:53 am
SpaceX embarked on their first mission beyond low earth orbit Wednesday, launching the Deep Space Climate Observatory...more »

Upcoming Trends We Saw at CES 2015

Jan 21, 2015 8:08 am
After recording over 40 videos about individual products at International CES 2015, the burning question from many...more »

OUR PARTNERS

Lawmakers Seek To Ban Variable Rate Electricity Contracts
by Hugh McQuaid | Feb 24, 2015 3:44pm

Follow @NewsHugh

(3) Comments | Log in to Post a Comment
Posted to: Corporate Watch, Energy, Environment



HUGH MCQUAID PHOTO

Senate President Martin Looney

Lawmakers signaled Tuesday they would revisit the controversial third-party electricity supplier market and seek to ban variable rates in residential electricity contracts.

It will be the second consecutive year the legislature aims to address consumer complaints about third-party suppliers, who they say attract customers with deceptively low teaser rates that quickly expire and leave consumers open to paying variable rates well above the standard rate available from a utility company.

At a Tuesday press conference in the Legislative Office Building, Senate President Martin Looney said some suppliers have used the variable rate to extract "unconscionably high profits" from consumers.

"Electric customers really deserve more stable, predictable electric rates, whether obtained through a standard offer service or from a multitude of highly competitive offers in the private supplier marketplace," Looney said.

Last year, lawmakers negotiated and unanimously adopted rules designed to give customers more information about their bills and greater flexibility to leave their contracts.

Rep. Lonnie Reed, co-chairwoman of the legislature's Energy and Technology Committee, said she helped negotiate last year's bill, which didn't put limitations on variable rates despite calls to cap the rates from the Connecticut chapter of the AARP. Reed said policymakers opted to allow savvy consumers the option of weighing market forces to choose the best rate.

"We thought we had enough options to protect them, but the reality is that nobody can predict market forces," Reed said.

Even when market forces seem favorable to consumers, third-party suppliers may be charging more than the standard electricity rate. Consumer Counsel Elin Katz said her office surveyed variable electricity rates during the final quarter of last year and found 15 suppliers with variable rates more than 30 percent above the standard rate. That was during a moderate season between summer and winter as fuel prices were falling.

"It's simply unconscionable that a consumer would be paying twice or more for energy, when market conditions are lowest, under a variable rate plan. To me that says variable rates have no value to consumers," Katz said.

Katz said the industry has indicated it can't comply with a July 1 requirement in last year's bill that calls for suppliers to inform customers of their variable rates a month ahead of time.

YALE NEW HAVEN HEALTH
Bringing all that health care offers to everyone.

See How

"The industry including the electric suppliers and the utilities are saying they can't do it. They can't do it on time, and in fact they say they can't do it at all. I say, if you cannot provide the basic level of consumer protection ... then there is no business having these rates be available to consumers," she said.

AARP advocacy director John Erlingheuser said his organization has pushed to cap variable rates because they often are applied to vulnerable consumers without their knowledge.

"It's generally low-income, disabled, elderly people that fall prey to these contracts," he said. "The majority of people are into it because their contracts expired, they missed the notice, and they default into a variable rate contract."

In written testimony submitted during a Tuesday public hearing, John Holtz, director of regulatory affairs for Pennsylvania-based NRG Retail, opposed the ban. Holtz wrote that Connecticut consumers are not required to shop on the third-party market and should be free to choose the electricity plan that benefits them.

"The General Assembly does not legislate how many channels cable customers may subscribe to, or what hours or days of the week smartphone customers can use their data plans. Likewise, electric customers should not be limited as to the pricing plans from which they can choose," he wrote.

**Tags:** [third party electric suppliers](#), [variable rates](#), [electricity](#), [consumer protection](#), [martin looney](#), [aarp](#), [js](#)

Invalid hash

Share this story with others.

**Recommend** 17 people recommend this. [Sign Up](#) to see what your friends recommend.

Share | **Tweet** 12 [Tweet](#)

Post a comment

You must be [registered](#) and [logged in](#) to comment  
Before commenting, please [read our Comment Policy](#)  
[Login](#) | [Register Now](#)

(3) Comments

posted by: [Just another CT resident](#) | February 24, 2015 4:43pm



If the people in Hartford really want to protect us dumb Connecticut residents I suggest they outlaw are all of those infomercials selling stuff people like me don't need at exorbitantly high prices.

posted by: [Janster57](#) | February 24, 2015 7:07pm



Just recently, I discovered the electricity supplier I had was charging me 23 cents a kilowatt while the standard CL&P rate was less than 10 cents. I spoke to my wife and she said she had signed up for a rate much less than CL&P. It got bumped after the "teaser" period. The legislators are only responding after a violent reaction to the "deregulating" they did after Olympic lobbying by energy lobbyists years ago. CL&P was able to shift the shut down of their antiquated generation facilities to the consumers and become a supplier rather than a generator on the backs on the consumers as a result of the "deregulation". As with everything else with CT government, it was bought and paid for.

posted by: [GMR](#) | February 24, 2015 10:40pm



Some of these companies just lie. One company raised the rate on me after the teaser period, but you have no idea what the rate is until you get your bill. I called the company's sales department, and asked what the regular rate was after the teaser period. The woman replied with a number that was way low, and I spoke to the supervisor, who then refunded the excess over CL&P. The alternative suppliers also don't publish their rates, and it takes a while to change suppliers. There's such a huge disparity in information that the consumer can easily be ripped off.





**Great Schools Matter**

[See Idella's Story](#)

#FOR EVERY CHILD



**Pranzo Tours**

Celebrating St. Valentine's Day, Italian style! Nothing is more important to Italians than amore. See our latest blog at ...

 

1 week 5 days ago



Check out this month's featured Hartford

start-up, Grit 'N Wit in t Entrepreneurs  
Heart Hartford! ...

**Entrepreneurs  
Heart Hartford-  
Grit 'N Wit -  
Social Enterprise  
Trust, Inc**



[socialenterprisetrust.org](http://socialenterprisetrust.org)

Tell us about your business. Grit 'N Wit is a 5k obstacle course where brain meets brawn and is changing the landscape of America's fastest ...



2 hours 9 min ago