

Waiting Period for New Rates Negotiated With a Retail Electric Supplier

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Issue

This report explains why a residential customer may have to wait two billing cycles before a new rate negotiated with a retail electric supplier becomes effective.

Waiting Period

When residential customers of retail electric suppliers negotiate a new rate with the supplier (e.g., when their current contract expires), they may have to wait two billing cycles before the new rate becomes effective. This waiting period stems from (1) a state law that requires an upcoming electric rate change to be noted on a customer's bill for one billing period before the rate change becomes effective and (2) a related requirement by the Public Utilities Regulatory Authority (PURA) that electric suppliers notify a customer's electric distribution company about the rate change at least 62 days in advance.

[CGS § 16-245d\(a\)\(2\)](#) requires that a customer's electric bill show any change to the customer's generation rate scheduled for the next billing cycle. For example, if a rate change will take effect in December, the November bill must include a notice about the upcoming change. But for this notice to appear on the bill in time, PURA requires that an electric supplier notify the customer's electric distribution company (EDC, i.e., Eversource or United Illuminating) about the rate change at least 62 days before the new rate becomes effective. Thus, for a rate change that will take effect in December, the supplier must notify the EDC about the change in October so that it can include notice about the change in the customer's November bill. For further details about the EDC billing

process and how it relates to the requirement, see PURA's policy discussion in the December 2018 [decision](#) in Docket No. 14-07-19RE05, pages 1, 16-20.

Because of PURA's 62-day advance notice requirement, a customer who has negotiated a lower rate with his or her current supplier will have to wait at least 62 days (roughly two billing cycles) between the time that he or she negotiates the rate and the supplier begins charging the new rate. According to PURA, however, a supplier may work around this issue by refunding the customer for the difference between the new rate and the rate they are charged during the waiting period.

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