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**Remarks of Attorney General Maura Healey
Testimony Before Joint Committees on Telecommunications, Utilities & Energy
June 13, 2017**

Chairman Barrett, Chairman Golden, and members of the Committee, thank you for the opportunity to be here today as you consider S.1823/H.3387, *An Act Relative to the Protection of Energy Ratepayers by the Attorney General*.

With me today is Rebecca Tepper, the Deputy Chief of our Energy and Environment Bureau and Chief for our Energy and Telecommunications Division.

Let me start by thanking Senator Boncore and Representative Brodeur for sponsoring this legislation.

Despite being busy with their own subject-matter committee chairmanships, their concern for their constituents' energy needs remains front and center and they are committed partners on this important ratepayer protection bill.

As the Attorney General, I have the privilege, and the statutory obligation, to serve as the Commonwealth's ratepayer advocate. My office works to ensure that Massachusetts businesses, municipalities, and residents have access to reliable and safe energy at the lowest possible cost.

We are working hard to do that.

As a result of our advocacy, our office saves Massachusetts electric and gas customers millions of dollars per year.

Indeed, we estimate that last year we saved customers \$170 million. These savings directly benefit the budgets of Massachusetts businesses, municipalities, residents, and the economy in general.

Importantly, our efforts address the energy costs of today *and* tomorrow as we consider issues like long-lasting utility rate design, clean energy development, and greenhouse gas reductions.

In fact, at this moment, colleagues from our Energy and Telecommunications Division are working hard, litigating the Eversource rate case down at the Department of Public Utilities.

You likely have read about or heard me talk about our work on this case – we will continue to press the DPU to reject Eversource's request to raise customers' rates while it continues to report over \$200 million in quarterly profits.

Before I use up all my allotted time on that, allow me to turn my attention to the legislation before you.

S.1823 and H.3387 seek to clarify my office's authority to participate in matters that affect ratepayers.

First, these bills make clear my office's ability to participate in proceedings at the Department of Public Utilities regarding third-party electric suppliers, or so-called competitive suppliers.

I know that you have received frustrated calls and e-mails and had conversations with your constituents about the marketing practices of competitive suppliers.

My office has received them as well. In fact, since 2014, my office has received approximately 660 complaints concerning competitive suppliers, mostly from residential customers.

The phones haven't quieted in 2017, have they?

Let me give you a flavor of what we've heard.

Time and again, we see a similar pattern. Competitive suppliers approach customers with aggressive sales tactics and big promises of cheaper electric bills. In the overwhelming majority of cases reported to us, residential customers who switch to competitive suppliers just end up paying more for their electric supply than if they had remained on basic service.

For example, multiple customers have complained that a supplier has even repeatedly called their elderly parent and attempted to sign them up, despite being put on notice of the customer's lack of capacity.

My office is greatly concerned about these complaints and many others like them. Customers are suffering real financial and emotional harm.

Under our Chapter 93A Consumer Protection Act authority, we investigated and reached negotiated resolutions with suppliers Spark Energy and Just Energy on behalf of consumers. Those cases involved allegations that the supplier mislead customers regarding savings.

We will continue to use our consumer protection authority to investigate and pursue bad actors in court.

But, we aren't the only state agency with oversight of competitive suppliers.

The Department of Public Utilities has the critical responsibility to regulate the retail competitive supply market and run the states' licensing program for suppliers.

The DPU decides whether an unscrupulous competitive supplier will operate in Massachusetts or not.

It is critically important that the Attorney General be able to participate and speak on behalf of ratepayers in the proceedings where these decisions are made.

Absent the Attorney General's voice, the only voice and evidence that the Department is likely to hear is the competitive suppliers'.

We believe that the Legislature intended to empower the Attorney General, as ratepayer advocate, to advocate for customers as to all aspects of their electricity and gas service, including retail supply.

But in 2015, the DPU cast doubt on our authority to fully participate on behalf of ratepayers in dockets concerning competitive suppliers.

We are concerned that this Order would bar the Attorney General's Office from participating in a future Department proceeding regarding competitive supply, including adjudicatory proceedings involving license revocation.

Without this authority, it is possible that no one will be allowed to advocate for ratepayers in such cases.

While we do not agree with that interpretation of our existing authority, these bills will eliminate any doubt and uphold the Legislature's original intent.

Ratepayers must have a voice in all matters before the DPU concerning customers' gas and electricity service, including those regarding competitive suppliers.

These bills make certain of that.

These bills also seek to require the DPU to rule on a petition for a decrease in electric and gas distribution rates filed by the Attorney General, a local official, or group of ratepayers *within* ten months, as is currently allowed for with rate increase petitions.

This helps even the playing field between the Commonwealth's gas and electric distribution companies seeking rate increases and the Attorney General's Office, municipalities, or ratepayers seeking rate *decreases*.

When an electric or gas distribution company files for a rate increase, the statute gives the DPU ten months to litigate the case.

But if the Attorney General's Office, the Mayor of a city, the selectman of a town, or a group of interested ratepayers petition the DPU, the DPU has no deadline for deciding whether to decrease rates.

The DPU could wait a year or more to even start the case, delaying what could be millions of dollars of much needed relief for Massachusetts ratepayers.

The Legislature took a big step a few years ago requiring electric companies like Eversource to file rate cases every five years.

But during that five-year period, it is extremely important that we are able to hold a company's feet to the fire – any year of unfair or unreasonable rates is a year too many.

This lack of statutory deadlines and the certainty of a timely review makes it very difficult for the Attorney General's Office or others to do that.

Indeed, the last time that the Attorney General's Office filed a rate case, the DPU did not issue an order until almost two years after the case was filed.

Companies are entitled to Department action increasing rates within ten months. Actions to decrease rates should be afforded the same treatment.

Regardless of who files a rate case, we will continue to scrutinize the spending and service of our gas and electric utilities.

And, there is no doubt my office is going to continue to investigate unscrupulous third-party retail electric suppliers under our Consumer Protection Act powers.

Notwithstanding this commitment, additional clarity with respect to our statutory authority as ratepayer advocate will grant ratepayers – your constituents – a voice in all electric and gas matters at the DPU.

I respectfully ask you to support an *Act Relative to the Protection of Energy Ratepayers by the Attorney General*, and report the bills out favorably from committee.

Thank you again for providing the opportunity for me to speak with you today. I'm happy to answer any questions that you may have.