

ENERGY AND TECHNOLOGY COMMITTEE

SENATE BILL No. 587: AAC ELECTRIC AND GAS CONSERVATION
INCENTIVES

MARCH 7, 2008

TESTIMONY OF

THE DEPARTMENT OF PUBLIC UTILITY CONTROL

This proposal seeks to decouple distribution revenue from sales for the state's electric and natural gas companies. The Department recognizes the General Assembly's interest in this rate design and pursuant to its directive in Public Act 07-242, to implement decoupling and has implemented a decoupling mechanism for Connecticut Light & Power (CL&P).

The Department intends to implement decoupling in the next rate cases for the other distribution companies in the state.

In all of its proceedings the Department is intent on balancing the concerns of rate with the needs of the companies. Public Act 07-242 contained some flexibility in how the Department considered the decoupling matter. SB No. 587 places us in a certain direction which does not guarantee a more efficient or cost-effective result and limits our flexibility in considering this issue in a more cautious and deliberative manner.