

**STATEMENT**  
**OF THE**  
**THE UNITED ILLUMINATING COMPANY**  
**RAISED HOUSE BILL 5815 – AN ACT CONCERNING THE MISSION OF THE**  
**DEPARTMENT OF PUBLIC UTILITY CONTROL**

The United Illuminating Company (UI), an electric distribution company with general offices in New Haven, CT, respectfully submits these comments regarding **Raised House Bill 5815 – An Act Concerning the Mission of the Department of Public Utility Control**. UI requests clarification of the purpose of the Bill and the specific language used in the Bill. Absent such clarification, it is difficult for UI to evaluate this proposed legislation.

Section 1 of the Bill adds a mission statement to the section of the statutes that establishes the DPUC. The entire content of the mission state is already included in other sections of the General Statutes, and therefore would appear to be unnecessary. Sections 16-11, 16-19, and 16-19e already provide for the DPUC to regulate public service companies consistent with the public interest, to assure the provision of safe, efficient, high quality services, and responsive customer service, at the lowest reasonable cost to customers:

- Section 16-11 provides for the DPUC to “keep fully informed as to the condition of the plant, equipment and manner of operation of all public service companies in respect to their adequacy and suitability to accomplish the duties imposed upon such companies by law and in respect to their relation to the safety of the public and of the employees of such companies.” Further, this section allows the DPUC to “order such reasonable improvements, repairs or alterations in such plant or equipment, or such changes in the manner of operation, as may be reasonably necessary in the public interest.”
- Section 16-19 requires the DPUC to review rate requests to assure that rates meet the principles of section 16-19e and are not “unreasonably discriminatory or more or less than just, reasonable and adequate, or that the service furnished by such company is inadequate to or in excess of public necessity and convenience.”
- Section 16-19e(a) (3) provides that the “department and all public service companies shall perform all of their respect public responsibilities with economy, efficiency and care for the public safety.” Section 1-19e(a)(4) provides “that the level and structure of rates be sufficient, but no more than sufficient, to allow public service companies to cover their operating and capital costs, to attract needed capital and to maintain their financial integrity, and yet provide appropriate protection to the relevant public interests, both existing and foreseeable.” Section 16-19e(a)(5) provides “that the level and structure of rates charged customers shall reflect prudent and efficient management of the franchise operation.”

Given these explicit existing statutory requirements, the addition of similar language in Section 16-2 of the General Statutes seems unnecessary.

Section 2 of the Bill would require the DPUC to give legislators 60 days notice of a decision if a proceeding involves more than \$200,000 and the decision would “have a negative cost impact on ratepayers.” UI is not clear what is intended by “negative cost impact.” If the intention is to require the DPUC to delay its decisions and notify legislators any time it approves cost recovery of \$200,000, then this too is unnecessary in light of the explicit statutory requirements referenced above, as well as the other existing statutory requirements of review of, for example, the competitive transition assessment and federally mandated congestion charges. Moreover, given that constitutional and statutory ratemaking principles require that a utility’s reasonable costs be recovered, UI is not clear what purpose the 60 day notice period will accomplish. Finally, as the General Assembly has recognized in many sections of

recent energy legislation, including the Energy Independence Act in 2005 and last year's Public Act 07-242, costs can be incurred today in order to benefit customers in the future.

Section 3 of the Bill would add language to Section 16-19e that references the supervision of expansion and operations of public service companies and adds a statement that rates should be just and reasonable. As discussed above, these concepts are already included in Section 16-11 and 16-19.

Section 3 would also require a report from the DPUC if public service companies' rates are higher than the national average on a per unit basis. Again, UI is not clear on the purpose. UI's bundled rates reflect several components that are not controlled by UI, including the cost of generation services and federally mandated congestion costs. Further, as the State's policy encouraging conservation and load management and energy efficiency programs becomes more and more successful, usage will decline, bills should go down, but unit rates could increase.

Finally, Section 3 appears to exclude consideration of promoting economic development if a public service company's rates are higher than average. UI respectfully submits that economic development can be an important factor in helping its customers and can help benefit all customers.

If the Committee has any questions about UI's testimony, or wishes to discuss it further, please contact Mr. Carlos M. Vazquez, UI's Senior Director of Government Relations at 203-499-2825 during normal business hours. Carlos may also be contacted at his cellular number 203-521-2455.