



STATEMENT OF AT&T CONNECTICUT

Regarding Raised House Bill No. 6303 An Act Concerning Compensation of Utility Officers, Directors and Employees Before the Committee on Energy and Technology February 3, 2009

Proposal:

Raised House Bill No. 6303 would limit the amount of compensation from ratepayers to employees of public service companies.

Comments:

AT&T opposes the bill as drafted because it fails to make clear that the requirements would only apply to those companies which are subject to rate-of-return regulation under Section 16-19 of the Connecticut General Statutes.

Telephone and community antenna television companies are not subject to rate-of-return regulation which is applied to other public service companies. Instead, they are subject to alternative forms of regulation where prices are market-based owing to the competitive nature of the services those companies provide. So, unlike rate-of-return regulated companies, telephone and community antenna television companies do not recover their costs – including costs for compensation – from ratepayers but, instead, those costs are borne entirely by the company's shareholders.

AT&T strongly urges the committee, should it see fit to move forward with this legislation, to make a small change to the underlying bill which would make clear that its provisions would not apply to companies not subject to rate-of-return regulation. Specifically the company urges the committee to add the following phrase before the comma on line 3 of the bill:

“pursuant to Section 16-19 of the general statutes”

Conclusion:

AT&T opposes raised House Bill No. 6303 in its current form and requests that the committee amend the bill as suggested in its testimony in order to make clear the legislation does not apply to a company not subject to rate-of-return regulation under 16-19.