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**TESTIMONY OF
ATTORNEY GENERAL RICHARD BLUMENTHAL
BEFORE THE ENERGY AND TECHNOLOGY COMMITTEE
FEBRUARY 3, 2009**

I appreciate the opportunity to support House Bill 6303, An Act Concerning Compensation of Utility Officers, Directors and Employees.

This legislation limits the amount of compensation of any employee, officer or director of a water, natural gas, electricity and other utility paid by ratepayers.

The maximum would be twice the Governor's salary. Currently, the Governor is paid \$150,000 so the maximum individual compensation out of ratepayers' pockets would be \$300,000. The legislation permits higher compensation but only out of shareholder pockets.

I have consistently and strenuously opposed imposing on ratepayers the high cost of executive salaries before the Department of Public Utility Control. Unfortunately, the DPUC has failed to heed my pleas. Currently, executives at some of the utilities are paid in excess of \$500,000.

The issue of executive compensation is hardly limited to Connecticut. The New England ISO, the electricity network operator, pays its president more than \$800,000 in compensation, all paid out of New England ratepayers' pockets. I have fought this compensation before the Federal Energy Regulatory Commission (FERC), so far without success. I am appealing the FERC's denial of our request to cut compensation for these ISO-New England executives through a motion for reconsideration.

In Connecticut, we can do something right away about ratepayer liability for high executive compensation. I urge the committee to favorably consider House Bill 6303 with an amendment that defines compensation as "anything of value provided to an employee, officer or director in return for services to the utility including but not limited to salary, bonuses, health, life or disability insurance, pension, and motor vehicle use." This amendment will ensure that utilities cannot bypass the clear intent of the law by limiting salaries while boosting other forms of compensation.

Thank you.