



# State of Connecticut

## Office of Consumer Counsel

**Mary J. Healey**  
*Consumer Counsel*

**The Energy and Technology Committee**  
**March 10, 2009**

### **H.B. 6631, AN ACT CONCERNING ELECTRIC UTILITIES AND UTILITY TERMINATIONS**

#### **Testimony of Mary J. Healey, Consumer Counsel**

The Office of Consumer Counsel (OCC) has carefully reviewed and SUPPORTS H.B. No. 6631, AN ACT CONCERNING ELECTRIC UTILITIES AND UTILITY TERMINATIONS.

Section 1 of this bill would change the newly revived “integrated resource planning” process for energy resources from an annual to a bi-annual process. The DPUC recommended this change in connection with its recent decision approving the 2008 IRP plan. (Docket No. 08-07-01.) OCC strongly supports this IRP work, and our agency actively participated in that DPUC docket.

Changing the timing of the IRP dockets to every other year does not suggest diminishing their importance. Rather, it is precisely because the issues involved are so complex and involve so many stakeholders and so much money, that more time is needed to prepare sound plans. OCC expects, if this change is enacted, that CEAB and the distribution companies will continue to work on specific IRP issues on a sustained basis, even during the “off-years.”

#### Section 2 of this

.0 bill would require anyone seeking to terminate utility service to residential dwellings to provide the utility with reasonable identification, before the service termination is carried out.

OCC has not been apprised of instances where (for instance) estranged spouses may use utility terminations as a means of personal harassment. Nonetheless, it appears reasonable to require procedures under which utilities can have better assurance that all service termination requests they receive are genuine.

Section 3 of this bill would amend existing law on the tenant-landlord relationships involved in termination of utility service at residential dwellings. While existing law favors continued service to tenants where this is feasible, this amendment would make owners or their agents responsible for providing utilities with reasonable access to affected dwellings.

Again, OCC has not been apprised of specific problems in this customer-relationships area. However, the changes proposed here, which would give the utilities better access to individual meters or other facilities on building premises, appear reasonable.

Section 4 of this bill would allow both CL&P and UI to generate and transmit electric energy, and to acquire utility facilities, inside Connecticut or in other states, except that the current law limitations on selling energy and on owning or operating generation facilities would remain in place.

This section appears to be a re-wording of prior law, law which had been repealed in recent years. OCC has not been apprised of specific projects whose development the revival of this older statutory authorization may facilitate, though we understand that this provision is of specific interest to UI. However, this statutory language appears reasonable on its face. We look forward to hearing the comments of other parties on this section.

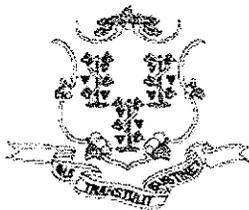
Section 5 of this bill would remove from current law certain "incentive" payments allowed to CL&P and UI in connection with their procurement of transitional standard offer service during the three years, 2004-2006. OCC estimates that these provisions, if not deleted as Section 5 proposes, would allow these two companies to collect up to \$63 Million in total (for all three TSO years).

OCC strongly supports this provision. The law plainly (and correctly) has allowed these two distribution companies to collect from ratepayers all costs directly incurred for their TSO procurements. However, the provision that Section 5 removes allowed the two companies to collect further amounts, much of it guaranteed no matter how poor those procurement results may have been. These excessive payments never should have been imposed on electric ratepayers. Enactment of this Section 5 will remove that burden from the high bills all electric ratepayers already are experiencing. In fact, since CL&P and UI already have collected some of the amounts associated with these special payments, enacting Section 5 will provide their customers with bill credits that are much needed and well-deserved.

Section 6 of this bill appears to be a conforming change that dovetails with Section 5, discussed just above. As such, OCC supports this section.

Section 7 of this bill slightly modifies existing law concerning certain rate design options. It changes (brings forward) the effective date for certain new rate designs (interruptible and load response rates for large customers, and seasonal and time-of-use rates for all customers) to be proposed by CL&P and UI.

Because the new rate proposals in question would be optional for customers, OCC does not oppose this bill section.



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### **S.B. 1101, AAC Coordination of Low-Income Energy Programs**

#### **Testimony of Mary J. Healey, Consumer Counsel**

The Office of Consumer Counsel (OCC) has carefully reviewed and has concerns about S.B. No. 1101, An Act Concerning Coordination of Low Income Energy Programs.

OCC notes that the proposed bill is entitled "Coordination of Low-Income Energy Programs," but the bill is unclear on what it means by "coordination." The bill does not appear to be consolidating any of the current low-income programs. OCC would support greater coordination among the Department of Public Utility Control, the Department of Social Services, the Office of Policy and Management, Operation Fuel, etc. and would be glad to work toward that goal. In that way, we could better reach more low-income energy consumers, including those whose concern is making payments for fuel oil. The bill as written focuses on reaching a discounted rate for gas and electric utilities but does not address oil.

OCC has some concerns about the proposal in the bill to craft a discounted rate program for low-income customers that would be paid for by other ratepayers, as described in Section 1 and particularly Section 1(c) of the bill. Additional incremental costs of such a program may force some low-income and middle-income customers who are keeping up with their bills now into the unfortunate position where they can no longer continue to make timely payments. OCC notes that expenses of uncollectible bills are already paid for by the general class of ratepayers, as are expenses of arrearage forgiveness and matching payment plan programs for low-income customers. Accordingly, OCC would request, if this bill goes forward, that the impact of any discounted rate be as limited for the general class of ratepayers as possible. One way to accomplish this expense mitigation approach would be to maximize use of any federal funding available to low-income customers, including funding for energy efficiency and weatherization. OCC would be happy to work with other stakeholders on those issues as well.