

**STATEMENT OF
THE UNITED ILLUMINATING COMPANY
TO THE ENERGY & TECHNOLOGY COMMITTEE**

RE:

**Proposed Senate Bill 596 - AN ACT CONCERNING THE ENVIRONMENTAL
IMPACT OF UTILITIES**

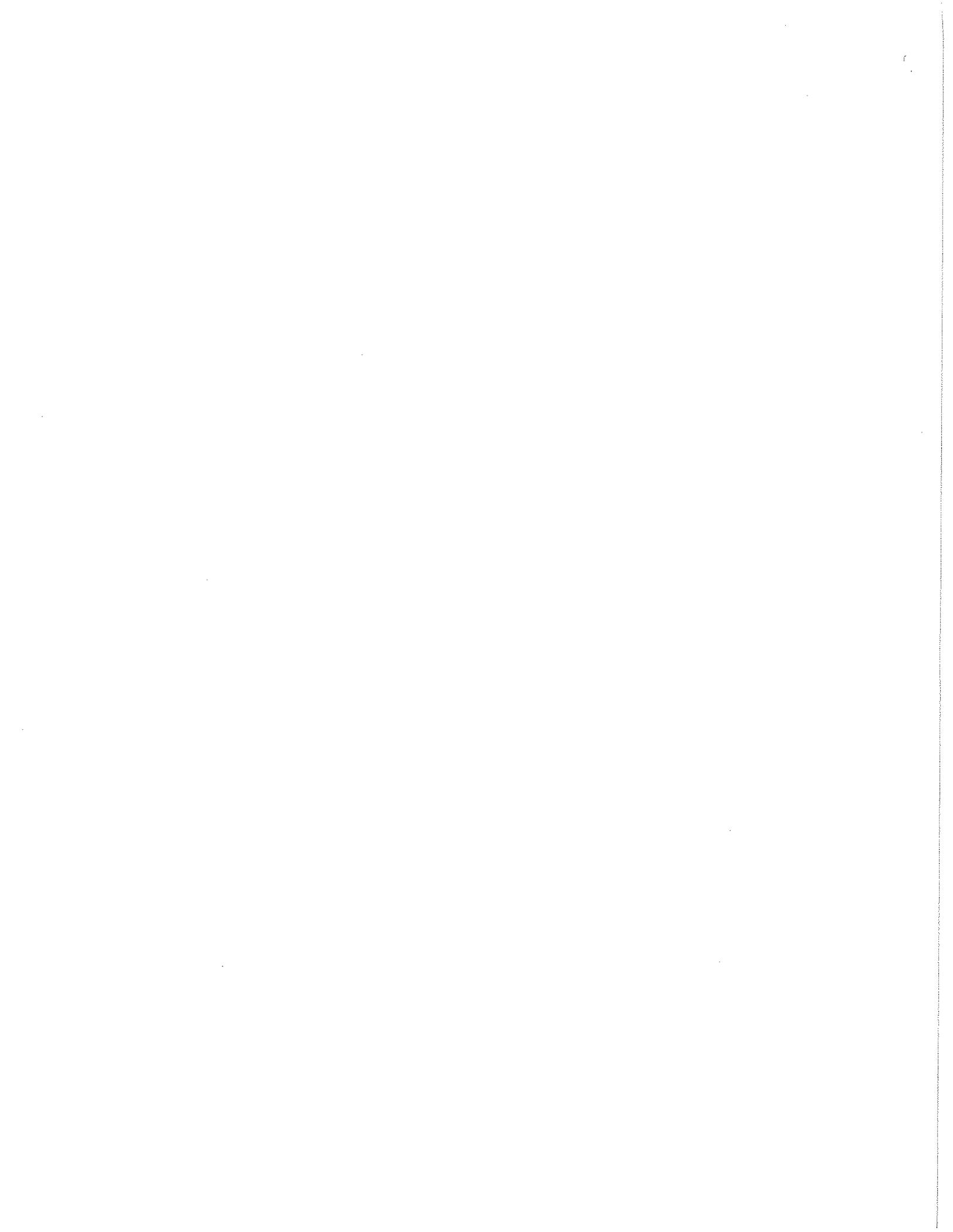
**Legislative Office Building
February 10, 2009**

Senator Fonfara, Representative Nardello, members of the Energy & Technology Committee. Below are the comments of The United Illuminating Company (UI) regarding **Proposed Senate Bill 596 - AN ACT CONCERNING THE ENVIRONMENTAL IMPACT OF UTILITIES.**

While the language of the Proposed Bill is not clear, and may apply to many instances and actions by utility companies, it appears UI that the genesis may be related to the statements made to the media by local elected officials regarding the claimed environmental impacts of the decision of The United Illuminating Company (UI) to consolidate its business facilities at a single location in the center of its franchise service territory. It also appears to us that this legislation may reflect an effort to prevent relocation or punish UI for its plan to relocate a portion of its business operations from New Haven to Orange, CT. If UI is incorrect in its understanding of the purpose of PSB 596, the Proposed Bill still appears to be intended to treat all utility companies – and their customers – less favorably than other businesses with respect to environmental matters. For those reasons, the UI opposes PSB 596 and urges the Committee to reject it.

After a comprehensive real estate strategic analysis was completed several years ago, we concluded that a consolidation of UI's business activities at a single location in the center of our service territory is the best option for our employees and our customers. When compared to costs associated with operating and maintaining multiple facilities, such a consolidation will improve our ability to continue to provide high quality customer service while lowering costs to **all** 320,000 UI customers.

UI has been in existence for over 100 years. Throughout our history we have had operations and office facilities in a number of the 17 cities and towns in the Greater New Haven and Greater Bridgeport areas. As a company we have never been housed exclusively in New Haven. Currently our business locations include leased office space in downtown New Haven, leased office space in Shelton, a leased operations facility in North Haven and company owned operations facilities in both New Haven and Shelton.



Any assumption that the relocation will have a negative impact on the environment or the air quality of New Haven or the region is unfounded. If the basis for any future impact on the environment is additional miles travelled and thus additional tailpipe emissions from our vehicles, the record will show differently. One key area of cost savings is the reduction in miles driven by UI employees either in their personal vehicles or while driving company vehicles within our service territory. With all employees operating from a central location, we expect that driving, and the associated cost and environmental impact, will be greatly diminished. Also, the traffic congestion in New Haven, especially downtown and the interstate arteries, is often significant. UI employees who drive into and out of New Haven will avoid this congestion and therefore there will be an additional reduction in tailpipe emissions.

The Department of Public Utility Control, through a comprehensive proceeding, will ultimately determine whether the Company's decision and the related economics are in the best interests of all UI customers including those in New Haven. To the extent that this legislation is based on claimed environmental harm to New Haven, it is unsupportable and presents a real detriment to all of UI's customers.

If you have any questions or wish to discuss this issue further please contact UI's Senior Director of Government Relations, Carlos Vazquez at 203-499-2825 during normal business hours or his cell phone at 203-521-2455.