



International Wire Group, Inc.

Bare Wire Division

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We want to thank Senator Andrew Maynard and Representative Steve Mikutel and the Connecticut Energy Committee for the opportunity to speak on behalf of this bill.

International Wire Group produces wire and cable products for many applications, including automotive, appliance, communications etc. Thus it is not surprising that IWG's current sales levels have fallen significantly in proportion to the automotive and housing industries. This in turn has caused competitors to lower prices in an attempt to maintain market share. As a result, International Wire Group has had little choice but to temporarily lower production levels in nearly all its plants through out the United States or to idle production in much the same manner as has occurred in the automotive and appliance industries.

Electricity is International Wire Group's largest non-labor cost of production. The delivered cost of electricity varies widely among International Wire Group's US plants. The one facility with the highest delivered cost of electricity is the recently acquired Wyre Wynd facility in Jewett City, CT. This fact is counter-intuitive, since the Jewett City facility is directly connected to a small hydro generation plant which, given adequate water supply, is capable of supplying the majority of the plant's electrical energy requirements.

However, due to unintended consequences of standard Connecticut Light and Power delivery charge billing methodology, the presence of the small hydro generation plant actually results in significantly higher total delivered cost of electricity for the Wyre Wynd plant than if the hydro generation plant did not exist. This is attributable to several factors. First, unlike a large scale hydro facility, the small hydro generation plant connected to Wyre Wynd has only one generator. Thus if river water flow is seasonally reduced, if an equipment malfunction should occur, or even when routine maintenance must be performed, the available power output from the small hydro generation plant drops to zero for some period of time. This in turn creates Connecticut Light and Power delivery charges whose dollar amount is essentially the same as if the hydro generation plant did not exist and Wyre Wynd purchased 100% of the plant's power requirement from the ISO Northeast via Connecticut Light and Power.

Also, the inability to accurately predict the small hydro generator's output on an hourly basis, due to variable river water flow, breakdowns, etc. makes it impossible for International Wire Group to contract for discounted energy supply via a large coal or gas fired generator. The unpredictability of the small hydro generator's hour by hour output forces International Wire Group to purchase electrical energy in the ISO Northeast 'spot market', with Connecticut Light and Power serving as 'provider of last resort'.

The purpose of this bill (#670) is to remove the unintended consequences of standard Connecticut Light and Power Demand and Distribution billing methodology, and thus make it possible for Wyre Wynd to continue using 'green power' from the small hydro generator at a competitive cost.