CBIA

Connecticut Business & Industry Association

SB 1101, *AAC Coordination of Low-Income Energy Programs:*

CBIA **opposes** **SB 1101**, *AAC Coordination of Low-Income Energy Programs.* **SB 1101** benefits low-income ratepayers at the expense of all other ratepayers.

Specifically, **SB 1101** would create discounted rates for service provided by gas and electric distribution companies to low-income customers. The cost of the discounted rate would be shifted to *all other customers* via the system benefits charge on electric bills and the public benefits charge on gas bills.

CBIA is sympathetic to low income customers' needs. In fact, CBIA is supportive of the various state and federal programs that aid low income customers. However, creating a new rate classification for the benefit of low income customers at the expense of *all other ratepayers* is not sound policy.

Currently, Connecticut's businesses are saddled with some of the highest business costs in the country[1]. Adding to Connecticut's already high energy costs will make Connecticut businesses less competitive.

Hurting Connecticut businesses hurts everyone in Connecticut. Increased costs mean decreased investment in both capital projects and personnel. In order for Connecticut to rebound from the current global recession, it has to position itself to create jobs and wealth when the economy turns around. Adding higher costs for Connecticut businesses will make it harder for them to compete.

Shifting the cost of energy from one class of consumer to another does not address the underlying problem of high energy rates. It simply shifts the cost burden, which, ultimately, will hurt everyone in Connecticut.

For the aforementioned reasons, CBIA urges you **to reject SB 1101.**

[1] 5th Highest according to Forbes Magazine; 3rd Highest according to CNBC study, 2008; 4th Highest according to Moodys/Economy.com study, 2008; and 5th highest according to the Milken Institute, 2008.

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