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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 6306, An Act Establishing a Code of Conduct for the Transactions Between Natural Gas Distribution Companies and Their Affiliates.

This legislation requires by November, 2009 (see typographical error on line 100 which calls for adoption by November, 2008) the Department of Public Utility Control (DPUC) to establish a code of conduct for natural gas company transactions involving the utility and its non-utility affiliates. This code of conduct includes written contracts for such transactions, limitations on the use of utility customer identifying information, reasonable standards for the amount of payment for such services, and transparency in such transactions and investigatory authority to ensure proper DPUC oversight.

House Bill 6306 provides a thoughtful and powerful solution to a significant concern of my office – the ability of large corporations to siphon ratepayer funds from a utility through unfair or expensive contracts between the utility and the non-utility affiliates of the large corporate owner. Connecticut natural gas customers receive their service from Yankee Gas, Connecticut Natural Gas or Southern Connecticut Gas. Yet, Connecticut Natural Gas and Southern Connecticut Gas are owned by Energy East which is in turn owned by the international conglomerate, Iberdrola, SA. Yankee Gas is owned by Northeast Utilities which also owns the Connecticut Light and Power Company. With so many affiliates and potential for transactions between the utility and the affiliate, it is important the DPUC establish standards to protect ratepayers from any inappropriate and excessive payments by the utility to its non-utility sister corporations.

I urge the committee's favorable consideration of House Bill 6306.