



**STATE OF CONNECTICUT**  
*DEPARTMENT OF PUBLIC UTILITY CONTROL*

DONALD W. DOWNES  
CHAIRPERSON

**THE ENERGY & TECHNOLOGY COMMITTEE**

**House Bill 6507: AAC REDUCING AND STABILIZING ELECTRIC RATES FOR  
RESIDENTIAL AND BUSINESS CUSTOMERS**

February 24, 2009

**TESTIMONY OF CHAIRMAN DONALD W. DOWNES**

The Department of Public Utility Control (Department) would like to comment on House Bill No. 6507. House Bill No. 6507 would require the electric distribution companies to provide residential and small business customers with standard service for their electric generation services. This would require all residential customers using less than 500 kWh to continue to take such offerings for an undetermined amount of time. The stated intent of this proposed legislation is to lower electricity prices for residential and business customers.

Currently, about 97% of these customers are already receiving standard service. In the Department's opinion to migrate the remaining 3% of customers back onto standard service is too small a number of customers to accomplish any significant change in prices for electric rates. The Department is also concerned that the language of the bill eliminates the residential customer's ability to choose this offering as an option. Currently about 8.7% of all electric customers have chosen a competitive supplier contract for generation services. Clearly, electric customers are realizing that reductions are available through choice. Now that the public is developing knowledge and a level of sophistication in managing their energy costs, the Department questions any legislative attempts to eradicate their ability to achieve significant savings from competitive suppliers. Enacting legislation to require all residential and small business customers who may have appreciated the ability to elect their competitive supplier that they are no longer allowed to exercise their independent choice and to manage their own costs, in the Department's opinion, will create strong opposition and resentment from consumers.

Finally, the Department does not believe this bill will lead to any significant relief for ratepayers. That said, if this bill is to pass the Department recommends that it prescribe a timeline for the initiative and require a detailed cost-benefit analysis of its impact on electric rates.

The Department thanks the Committee for this opportunity to comment and is ready to work with the Committee on this matter.