



KEVIN M. DELGOBBO
COMMISSIONER

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC UTILITY CONTROL

THE ENERGY & TECHNOLOGY COMMITTEE

House Bill 6682: AAC PUBLIC SERVICE COMPANY TRANSFER OF PROPERTY

March 17, 2009

TESTIMONY OF COMMISSIONER KEVIN M. DELGOBBO

The Department of Public Utility Control (Department) would like to comment on House Bill No. 6682. House Bill No. 6682 would authorize the sale of real property owned by a public utility company that has been maintained by its shareholders to be sold to the Town of Rocky Hill and to be excluded from the provisions of Conn. Gen. Stat. § 16-245e(i). Conn. Gen. Stat. § 16-245e stands for the proposition that any net proceeds from utility land sales must go to buy down the costs associated with stranded costs. The intent behind this bill is that the sale proceeds of land that a utility owned which shareholders maintained and that is no longer used and useful for the delivery of services not be required to go to ratepayers.

The Department is primarily concerned that the language of this bill not provide any signals that this bill, if made into law constitutes a change in the Department's long-standing policy that ratepayers are entitled to the proceeds of those land sales from public service companies which were included in rate-base at one time or another. Accordingly, the Department would recommend the following amendment to this bill:

Notwithstanding the provisions of Conn. Gen. Stat. § 16-245e(i), whereby property which is no longer used or useful and which was or has never been in the ratebase of such company, and has been maintained by the shareholders of such public service company may be sold or transferred with respect to an approximately twenty-six acres of real property at the southeast corner of West Street and Route 3 in Rocky Hill and shall be excluded from the requirements of subparagraph (C) of subdivision (4) of subsection (h) of section 16-245e of the general statutes and subsection (i) of said section 16-245e.

With this amendment, the Department strives to clarify the narrow exclusion permitted by this proposed bill. The Department thanks the Committee for this opportunity to testify and is available for questions.