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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 Senate Bill 776, An Act Concerning the Fuel Oil Conservation Board.

This legislation, jointly submitted to the committee by Comptroller Nancy Wyman and myself, makes several changes in the state oversight of the Fuel Oil Conservation Board. Specifically, Senate Bill 776 requires that the Board enter into a grant agreement with the Comptroller so there is a legal requirement for the Board to spend the state's funds as set forth in the Board's plan. The bill also clarifies that the Attorney General shall conduct a biennial review of the Board's compliance with state laws regarding the conduct of a non-profit corporation. This biennial review, paid for with Board funds, will begin in July, 2009 rather than July, 2008 when the Board had not begun operating.

The Fuel Oil Conservation Board, statutorily chartered as a non-profit corporation, is charged with the important task of provide more than \$5 million in state assistance and incentives to homeowners and businesses for the purpose of reducing the use of fuel oil through increased efficiencies and conservation.

The statutes are unclear as to how the Board was to operate. They call for the Board to be a non-profit corporation, but place it in the Comptroller's office for administrative purposes only. Further, the statutes require the Attorney General's office to hire a third party consultant to conduct an audit but are unclear what type of audit should be implemented. A legal review would ensure that the Board is in compliance with state non-profit organization laws and makes more sense than a financial review as the Board already must comply with the state's annual single financial audit requirements.

To its credit, the Fuel Oil Conservation Board has worked closely with the Comptroller and my office to ensure proper oversight of its expenditure of public funds. Senate Bill 776 conforms the statutes to procedures that the Comptroller and I have worked out cooperatively with the Board.

I urge the committee's favorable consideration of Senate Bill 776.