

Testimony of

The United Illuminating Company

Re:

**Raised House Bill No. 5508
AA ESTABLISHING THE DIVISION OF ELECTRICITY POLICY AND
PROCUREMENT**

**Before the Energy & Technology Committee
Legislative Office Building
March 16, 2010**

Good afternoon, Senator Fonfara, Representative Nardello and members of the Energy and Technology Committee. My name is Alan Trotta, and I am the Manager of Wholesale Power Contracts for The United Illuminating Company (UI).

Raised House Bill No. 5508, An Act Establishing the Division of Electricity Policy and Procurement (the Bill), has been raised to create what is effectively a power authority under the Public Utility Control Authority (PUCA).

The Division of Electricity Policy and Procurement (Division) created in the Bill is very similar to the electric authority created in Raised House Bill 5505, An Act Concerning Electric Rate Relief (RHB 5505), but has even fewer checks and balances than RHB 5505. RHB 5505 allows the electric authority to negotiate contracts with electricity generators, but such contracts are subject to the review and approval of the Department of Public Utility Control (Department). This Bill allows the Division to negotiate contracts, subject to the approval of the PUCA, which is within the same organization.

The Bill also allows the Division to own and operate power plants, which is highly unusual given that the Division is effectively a branch or affiliate of the same agency that regulates, or approves, the rates of some of the State's power plants (the Department).

Other than as noted above, UI's objections to the electric authority in its testimony on RHB 5505 also apply to Division that this Bill would create.