

**TESTIMONY OF
THE UNITED ILLUMINATING COMPANY**

Before the Energy and Technology Committee

RE:

**RAISED BILL 5216– An Act Concerning UTILITY TERMINATION FOR
HOUSEHOLDS WITH A MEMBER LESS THAN TWENTY-FOUR MONTHS OLD**

Legislative Office Building

February 23, 2010

Good afternoon, Senator Fonfara, Representative Nardello, and members of the Energy and Technology Committee. My name is Joseph Thomas and I am Vice President of Client Fulfillment at The United Illuminating Company ("UI"). I am here today to provide UI's comments regarding **RAISED HOUSE BILL 5216-- An Act Concerning UTILITY TERMINATION FOR HOUSEHOLDS WITH A MEMBER LESS THAN TWENTY-FOUR MONTHS .**

UI understands the financial struggles that many of our customers have been facing in these hard economic times. UI will continue to work with **all** customers, hardship and non-hardship customers alike, to keep their lights on ***in and outside*** of the moratorium season. We are committed to provide information that will help customers manage their usage and ways to lower their bills (web, rates, alternate suppliers, conservation, UI Helps) and we will provide financial assistance (matching payments) to qualified customers in order to help them meet their financial obligations

UI opposes this Bill. The intent of the winter moratorium was to protect customers who are financially challenged from service disconnection. This bill would provide winter protection for non-hardship customers regardless of the customers' income or ability to pay their bills, as long as a child less than 24 months was in the household. .

Non-hardship customers should be responsible for making payments on their accounts in accordance with billing terms--in our case 30 days. In the event that non-hardship customers are not able to make these payments within 30 days, UI provides additional flexibility that will protect their service by offering payment arrangements and budget plans.

Granting winter protection to non-hardship customers will have financial impacts on electric distribution companies that will become the burden of other

customers. There will be no incentive on these customers' part to pay their electric bills. Not only will the provisions of this bill impose a burden on the company's uncollectible expense and thus all customers, the bill would also introduce additional administrative and field costs to handle the documentation required to prove there is a qualifying child in the household. Additional cost would be incurred to modify the Company's computer systems to support this new process. Uncollectible accounts will continue to increase and the increased cost will be shared by all ratepayers.

In addition, this proposal will also negatively impact the non-hardship customers it aims to protect. The customers' financial liability will continue to increase throughout the winter. If it was difficult for a customer to pay a \$150 light bill in November or December, it will be that much more difficult to pay a \$900 bill coming out of the moratorium. These customers would now be subject to normal collection action including possible disconnection, liens, garnishments and negative credit reporting when the moratorium ends in the spring.

The utility bill is often the last bill to be paid. Mortgage, car payments, insurance, telephone and cable will all be paid first. None of these are impacted by a moratorium, and unfortunately the UI bill will continue to be among the last to be paid. Increasing the number of households that could now qualify for winter protection without an income test would be detrimental to UI and its rate payers.

For these reasons The United Illuminating Company strongly opposes **RAISED HOUSE BILL 5216– An Act Concerning UTILITY TERMINATION FOR HOUSEHOLDS WITH A MEMBER LESS THAN TWENTY-FOUR MONTHS OLD.**

Thank you for the opportunity to appear before you today. I will try to answer any questions you may have.