

**TESTIMONY OF**

**THE UNITED ILLUMINATING COMPANY**

**Before the Committee on Energy and Technology**

**On**

**HB 5962, *AN ACT PROMOTING THE USE OF IN-STATE SUBCONTRACTORS BY  
ELECTRIC DISTRIBUTION COMPANIES***

**Legislative Office Building**

**February 17, 2011**

Good afternoon Senator Fonfara, Representative Nardello, and members of the Energy and Technology Committee. My name is William Ostrum and I am the General Manager, Construction at The United Illuminating Company ("UI"). I am here today to offer comments of UIL Holdings Corporation, UI's parent, regarding **PROPOSED BILL HB 5962, *AN ACT PROMOTING THE USE OF IN-STATE SUBCONTRACTORS BY ELECTRIC DISTRIBUTION COMPANIES.***

The bill proposes that electric distribution companies use in-state subcontractors on all projects if a qualified in-state subcontractor is available and the cost of using such in-state subcontractor is equal or less than the cost of using an out-of-state subcontractor.

We oppose PHB 5962. From our perspective, there is no need for this legislation. Our Purchasing Department is responsible for acquiring materials, equipment and services to support all of UI's business units, including a wide variety of goods and services to support power delivery, transmission and distribution and a multitude of goods and services that support our overall daily operation. We are responsible for procuring the

best products and services, on time and for the best total life cycle cost. The purchasing team looks to establish strategic relationships with suppliers that offer those three characteristics, putting emphasis on safety, modern supply chain techniques, latest technologies and value added processes.

The Corporation has an active supplier diversity program, conducts business in an atmosphere of good faith, devoid of intentional misrepresentation, provides competitive suppliers equal consideration, and demands honesty in sales representation from our vendors. Our purchasing staff is guided by the Company's policies and procedures and works to meet the highest ethical standards.

Our bidding process is designed to ensure not only low cost but high quality results in compliance with all laws and regulations. In-state contractors whose costs are equal to or less than out-of-state contractors would generally be selected if they meet all other job requirements. The challenge posed by the bill would occur when out-of-state contractors, utilize in-state subcontractors and in-state contractors that utilize out-of-state subcontractors that are practically out of UIL's control.

The only term in the bill that defines eligibility is "qualified". This could put electric distribution companies on the defensive for out of state vendor selections. We may choose a contractor not only based on price but, experience, track record, ability to deliver on a schedule, etc. A contractor who has done a complex utility type job once (or never) may be considered 'qualified' by some but would not be chosen due to lack of experience in utility grade construction.

For these the reasons The UIL Corporation opposes **PROPOSED BILL HB 5962 AN  
ACT PROMOTING THE USE OF IN-STATE SUBCONTRACTORS BY ELECTRIC  
DISTRIBUTION COMPANIES.**

Thank you for the opportunity to appear before you today. I am happy to address any questions you may have.