

**COMMENTS OF EQUIPOWER RESOURCES CORP.
ON SENATE BILL NO. 1140
AN ACT CONCERNING THE DEPARTMENT OF PUBLIC UTILITY CONTROL'S
JURISDICTION**

EquiPower Resources Corp. (EquiPower), a Hartford based company, owns and operates 1,792 megawatts (MWs) of generating capacity in New England with 1,360 MWs of that total in Connecticut. EquiPower is the second largest generator of electricity in the state. We offer testimony today on Senate Bill 1140 – An Act Concerning the Department of Public Utility Control's Jurisdiction.

EquiPower requests that the language in this bill be modified to make it clear that this bill applies solely to holding companies that control the monopolies that the Department currently oversees and does not expand the jurisdiction of the Department over entities, such as privately-held competitive generators, over which it currently does not have jurisdiction. The Federal government through the Federal Energy Regulatory Commission (FERC) and the Department of Justice (DOJ) conducts a process in which the mergers and acquisitions of private-held competitive generators are reviewed for market power issues and approved. There is no need for the Department to conduct a duplicative review.

While the FERC and DOJ review mergers and acquisitions of monopoly utilities, a separate and very important review by state regulators is warranted regardless if the transaction is consummated at a holding company level or not. Monopoly utilities exist in only very limited circumstances in the U.S. where society believes it is for the common good to allow a single entity to provide goods and services to "ratepayers." Under these limited circumstances there is extremely strict regulation of the monopoly utilities to ensure they do not abuse their substantial powers and follow through on the premise of providing goods and services more efficiently and effectively than the competitive alternative. It only makes sense then that the regulators have scrutiny over any contemplated transaction where two monopoly utilities propose to merge. The regulators should ensure there will be an acceptable value proposition for ratepayers in exchange for allowing two monopoly companies to combine. In addition to ensuring ratepayers are adequately compensated, the regulators must ensure that their jurisdiction and ability to regulate the combined entity is well defined and intact prior to approving such a merger to protect ratepayers and competitive players in the same industry from abuse of power.

EquiPower appreciates the opportunity to offer these comments on Senate Bill 1140.

Submitted by,

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