

**Testimony of John Murphy on behalf of the Connecticut Citizen Action Group  
in favor of Proposed House Bill 5699 AN ACT PROVIDING RELIEF TO ELECTRICITY CUSTOMERS**

Good afternoon, Senator Fonfara, Representative Nardello, Senator Witkos, Representative Hoydick, and members of the committee. My name is John Murphy and I am speaking for Connecticut Citizen Action Group's 30,000 member families in support of proposed House Bill 5699.

CCAG has testified in favor of a windfall profits rebate to consumers for at least the last five years, standing with Attorney General Richard Blumenthal. We believe that the Federal pricing rules create an inequity for consumers and a windfall profits rebate will restore some balance as we work to lower energy prices in Connecticut.

The windfall profits rebate would be assessed only on profits above a 20 percent rate of return on equity. Under this proposal, corporations would keep 100% of their profits under the 20% rate of return and 50% of their profits over the 20% rate of return.

There is no good reason to allow these corporations who generate electricity with low cost fuel to reap huge profits at the expense of the ratepayer. They will not be able to raise their rates to recover a windfall profits assessment. If they stopped selling electricity that generates more than a 20% rate of return they would be shortchanging their stockholders, and, once again, the ratepayer.

New power plants generate electricity with natural gas, and due to the significant depreciation expenses which reduces profits for many years after initial startup, they would have virtually no chance of being affected. Windfall profits can be determined without revealing trade secrets or putting corporations at a competitive disadvantage. Their tax returns are subject to audit but not public disclosure.

20 per cent rate of return is astounding. It is unfair for these corporations to hold onto our money based on inequities in the pricing rules. Again, this proposal would only recapture 50% of profits over the 20% rate of return and allowing the corporations to keep 100% of their profits up to 20 % of the rate of return.

While CCAG has consistently been in favor of a windfall profits rebate to consumers, we would support the windfall profits rebate to be applied to offsetting our State deficit. \$300 to \$400 million would do a lot to help ratepayers or taxpayers. Thank you.