



**Connecticut
Light & Power**

The Northeast Utilities System



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**TESTIMONY OF STEPHEN GIBELLI
THE CONNECTICUT LIGHT AND POWER COMPANY
and YANKEE GAS SERVICES COMPANY**

**Energy and Technology Committee
March 3, 2011**

Re: S.B. No. 1079 (RAISED) AN ACT CONCERNING OPERATIONS OF PUBLIC SERVICE COMPANIES.

Good afternoon. My name is Stephen Gibelli, and I am Associate General Counsel for Northeast Utilities Service Company, appearing on behalf of the Connecticut Light and Power Company and Yankee Gas Services Company.

Section One of the bill removes the option of decoupling through rate design and requires gas and electric companies to have full revenue requirement true-up decoupling in their next rate case. CL&P did propose full decoupling in its last rate case and it was rejected by the Department so that the Department could evaluate the results of full decoupling from United Illuminating's pilot. CL&P and Yankee Gas both support the concept of decoupling, but do not dispute the Department's logic in wanting to see the results from a pilot before going forward with full decoupling for all gas and electric distribution companies.

Sections Two and Three of the bill would allow the electric distribution companies to construct, own, and operate renewable energy generating facilities if approved by the Department of Public Utility Control and to own and operate customer-side distributed resources.

The DPUC would have to first make a determination that such ownership is in the best interest of the state in meeting the state's renewable portfolio requirements and maintaining reasonable costs of electric generating facilities. We support the responsible encouragement of renewable technology and customer solutions that are economic and consistent with a comprehensive policy to implement clean energy solutions for Connecticut. If there is an identified need for such projects, then we support their development on a cost of service basis.



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Section Four allows utilities to terminate service for nonpayment on Fridays to residential customers, provided the utility has offices open on Saturdays to accept payment, the DPUC determines that the utility has an adequate number of remote payment centers open on Saturdays, and the personnel sent to terminate service on Fridays are able to accept noncash payments. CL&P and Yankee Gas support the concept set forth in this section. By having to wait until the following Monday, charges accumulated unnecessarily, thereby adding to the amount of the delinquency which is ultimately borne by all customers. We estimate that this change could reduce costs to our non-delinquent customers by \$1.2 to \$2 million annually. An area of concern with the proposal is the availability of our field personnel to collect non-cash payments. We understand the need to provide customers facing disconnection with additional options for payment. However, we are concerned with the safety of our field personnel collecting payment and the misperception that they would be carrying cash. Therefore, we recommend that this section be amended so that our field personnel could facilitate payment by providing the customer with the opportunity to make payment by telephone. Our field personnel would stand-by to confirm payment. Once payment is confirmed, the customer would not be disconnected.

Section Five allows the utilities to seek a receiver when a nursing home facility is in default on its utility bill. Current law does not provide for this remedy which would assist in reducing our collection and litigation costs.

Section Six provides for the recovery of indirect gas costs including the commodity portion of uncollectible costs and carrying costs of the commodity inventory through the purchase gas adjustment mechanism. Yankee Gas supports this provision in the bill. Since Yankee Gas has no control over the cost of gas, these items, which are directly related to the cost of gas, should be reconciled and recovered in a more timely manner through a reconciling mechanism such as in a semi-annual PGA proceeding.

Thank you for the opportunity to comment on this proposed legislation.