

Connecticut General Assembly
The Energy and Technology Committee

March 7, 2013

House Bill No. 6360, *AAC Concerning Implementation of Connecticut's
Comprehensive Energy Strategy*

Testimony of Dominion Retail, Inc.

My name is William Barkas, and I am Manager of State Government Relations for Dominion Retail, Inc. My company is a licensed retail electric supplier with more than 670,000 electric customers in nine states, including more than 60,000 small mass market customers in Connecticut together with our business partner, Levco Energy. Overall, we serve more than two million retail energy customers in 15 states.

HB 6360

This bill incorporates many facets of a comprehensive state energy strategy: electricity, natural gas (and the expansion of natural gas usage), fuel oil, energy efficiency, and a host of other related issues. The legislation is also an outgrowth of a request for comments issued by the Department of Energy and Environmental Protection (DEEP) last year and who should be complimented for undertaking this energy review. Dominion Retail provided a statement on November 16, 2012 and submitted written comments on December 21.

Dominion Retail's primary interest is in pointing out that it is well past the time to seriously analyze and recognize the benefits of natural gas choice for Connecticut's residential consumers, given the proposed comprehensive energy strategy that clearly envisions an expanded role for natural gas in the state's energy portfolio. The Connecticut Energy Advisory Board (CEAB) in its 2000 Energy Policy Report recommended an examination of residential customer choice, but to the best of our knowledge no review has ever been undertaken. In 2006 Dominion Retail delivered a presentation to the CEAB explaining the benefits of such a program. In 2007 and 2008, Dominion Retail testified before this committee in support of legislation authorizing a gas choice program for residential consumers.

Commercial and industrial customers in Connecticut have enjoyed the benefits of gas choice since 1996, but this same benefit has been denied to the residential class of

customers. Residential gas choice exists in many other states and has brought benefits to those consumers. One only needs to look at neighboring New York, as well as New Jersey, Maryland, Pennsylvania, Ohio and many other states to realize that. Based on Dominion's experience, it is convinced that a properly-designed gas choice program in Connecticut could benefit residential consumers through supplier offerings that would better meet consumers' individual needs as well as provide financial savings.

There are clearly certain institutional "roadblocks" that would need to be removed to create a well-functioning residential choice program, whether through legislation or regulations. If legislation is desirable, then there are examples of bills offered in the General Assembly in 2007 and 2008 that could serve as a model. The PURA would need to adopt gas choice regulations, but much groundwork has already been laid by the electric choice program—purchase of receivables, enrollment rules, consumer protection and education, unbundling of utility commodity and distribution costs, to name just a few. The utilities could benefit from needing less working capital for a reduced merchant role if many consumers switched to suppliers. In addition, the utilities could focus more of their resources on infrastructure development and maintenance which is their core function. Given the fact that Connecticut's three major gas utilities are now owned by UI and NU that have experience in retail electric choice, there are bound to be benefits from knowledge-sharing and systems integration that previously did not exist for the gas utilities.

We hope that the Energy and Technology Committee will seriously consider residential gas choice as it plans a greater role for natural gas in Connecticut's comprehensive energy strategy.