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**Testimony of David Sutherland – Director of Government Relations
Before the Energy and Technology Committee – February 7, 2013**

In Support of Sections 1 - 7 of Bill 807

On behalf of The Nature Conservancy, I would like to express our support for Sections 1 - 7 of Bill 807, with minor changes being submitted by the industry, which would remove existing disincentives for water companies to encourage water conservation.

Connecticut has rich and diverse freshwater systems. The water provided by these rivers and wetlands are fundamental to the health of our communities and our environment – providing water for our most basic needs, sustaining our economy, and providing crucial wildlife habitat and recreation opportunities. The quantity of water in streams can have as much effect as water quality on fish populations and other riverine wildlife, and our water utilities have a significant impact on the amount of water in many of our important river systems.

Using water efficiently is critical to ensuring we have adequate water for our communities and streams. The use of water conservation, drought management, and other water saving techniques benefits water users and the environment. By providing the same services -- such as drinking supply, fire protection, and facility cooling - with less water, we reduce treatment, energy, and wastewater costs and enhance the health of our rivers. Changes in plumbing codes, improved leak detection and repair, and more efficient appliances have all helped to achieve a steady and continuing decline in many residential and commercial water uses.

Under current ratemaking practices, however, water companies are penalized financially with reduced revenues if they encourage less water use by their customers. Sections 1 - 7 of Bill 807 would permit more timely and effective rate adjustments to ensure that utilities can play a central role in facilitating water conservation and efficiency and still maintain their financial health.

These provisions would be an important complement to the streamflow regulations that were approved by the Regulations Review Committee in December 2011. We urge your support.