



**Testimony**  
**Elizabeth Gara**  
**Connecticut Water Works Association (CWNA)**  
**Before the**  
**Energy Committee**  
**March 5, 2013**

**Re: SB-945, AN ACT CONCERNING THE PAYMENT OF SECURITY DEPOSITS TO MUNICIPAL UTILITIES FURNISHING ELECTRIC, GAS OR WATER SERVICE**

The Connecticut Water Works Association, a trade association of public, private and regional water companies, *opposes* **SB-945**, which would require municipal water departments and other municipal utilities to develop and update on an annual basis a plan for security deposit requirements for new and existing commercial and industrial customers and the return of such customers' security deposits for timely bill payment.

Connecticut's public water suppliers strive to provide customers with a safe, adequate supply of water at a reasonable cost. Unfortunately, due to difficult economic times, an increasing number of customers are not paying their bills. It is important for water companies to recover revenues from customers who fail to pay their bills in order to minimize the impact on those customers who do pay their bills in a timely manner. Security deposits are an important tool for doing this, particularly because water companies generally bill on either a quarterly or monthly basis in arrears

Current law provides generous notice requirements before water utility service may be terminated for non-payment. As such, water utilities cannot send a delinquent notice until 63 days after mailing the quarterly bill or 33 days after mailing a monthly bill. Service cannot be terminated until an additional 13 days have passed. This totals 76 days – approximately 2 1/2 months - after the bill was initially mailed and 166 days after the first day of service in a quarterly bill, before service can be terminated for non-payment. As such, a security deposit is needed to recover revenues if bills have been unpaid for a very long time.

Moreover, issues involving municipal water rates, policies and operational issues are already subject to regulation on the local level. There are currently 31 municipalities that operate their own water system. In addition, there are several special districts that have been established to provide water service and the billing policies and other operational issues are set by the district residents. Municipal water customers can and do make their concerns known at public hearings and meetings, which are also open to the public and the press, as well as directly with public officials.

We are sensitive to the need to ensure that non-residential as well as residential customers have the opportunity to voice concerns regarding water supply issues in their community. However, we believe this should be accomplished at the local level rather than as part of some state agency review. For municipal water companies, this is clearly an issue of home rule.