



State of Connecticut

SENATE

SENATOR TONY HWANG

TWENTY-EIGHTH SENATE DISTRICT

LEGISLATIVE OFFICE BUILDING
300 CAPITOL AVENUE, SUITE 3400
HARTFORD, CONNECTICUT 06106-1591
CAPITOL: (800) 842-1421
E-MAIL: Tony.Hwang@cga.ct.gov
WEBSITE: www.SenatorHwang.com

ASSISTANT MINORITY LEADER

RANKING MEMBER
HOUSING COMMITTEE
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MEMBER
COMMERCE COMMITTEE
VETERANS' AFFAIRS COMMITTEE

February 23, 2015

Esteemed members of the Energy and Technology Committee:

The fixed charge fee on our electric bills is broke. And it's time to fix it.

Just how broken is it?

These stats, compiled by Acadia Center and the Connecticut Roundtable on Climate and Jobs, speak for themselves:

- For residential customers, fixed charges have more than doubled since 2004
- Residential fixed charges have increased by more than four times the rate of inflation
- Today, CL&P has the highest fixed charge among major utility companies in New England (\$19.25/month), and United Illuminating has the second highest (\$17.25/month)
- Since 2007, CL&P's small general electric service customers – often small businesses – have seen their fixed monthly charges jump by 78%

What that boils down to is this:

Before a Connecticut resident or small business owner even turns on a single light, and no matter how conscientious they are about their electric usage, they are being hit with these skyrocketing costs.

This ever-increasing fixed charge fee unfairly punishes those who are taking a proactive approach to controlling their utility expenses by employing sustainable practices and energy efficient solutions. No matter how much energy they save, or even if they are putting power back into the grid, this fixed charge fee remains. As environmental and energy experts will tell you, that's a major disincentive to our state's leading efforts of sustainability and eco-friendly policy. And that puts us on a road we should not be on.

Utilities will likely argue that, on average, the fixed charge fees constitute but a small fraction of a customer's overall bill. I do not dispute that.

Yet with so many of our residents and families still struggling to make ends meet, every cent counts. Reigning in this runaway fee, and capping it, will go a long way to providing them with much-needed relief.

And for our small businesses – the backbone on which our state economy is built – capping the fixed charge will provide them with more certainty in terms of their long-term operational expenses as it relates to energy

usage, and give them a little more money to invest back into their businesses, which contribute so much to our communities.

In fact, with the economy and jobs such a priority for our state, it's worth noting that small businesses have routinely cited Connecticut's high energy costs as one of the greatest barriers to their success and growth. Here's a chance to help them.

So, if this is indeed a "fixed charge" as its name implies, then let's go ahead and fix it – by capping it at \$10.

Thank you for your time and thoughtful consideration of SB 574.

Kindly,

Tony Hwang
28th District State Senator