



**Testimony of Connecticut Fund for the Environment
Before the Committee on Energy and Technology**

Regarding HB 5019, AN ACT PROHIBITING EXPENDITURES RESULTING FROM STORM MAINTENANCE, IMPROVEMENT OR REPAIR FROM BEING FACTORED INTO ELECTRIC OR GAS UTILITY RATES

Submitted by Zachary Bestor
Legal Fellow / Attorney
February 24, 2015

Connecticut Fund for the Environment ("CFE") is a non-profit environmental organization with over 5,500 members statewide. The mission of CFE, and its bi-state program Save the Sound, is to protect and improve the land, air and water of Connecticut and Long Island Sound. We use legal and scientific expertise and bring people together to achieve results that benefit our environment for current and future generations.

Dear Senator Doyle, Representative Reed, and members of the Committee on Energy and Technology:

Connecticut Fund for the Environment submits this testimony regarding Proposed HB 5019, An Act Prohibiting Expenditures Resulting from Storm Maintenance, Improvement or Repair from Being Factored into Electric or Gas Utility Rates. This bill seeks to prohibit electric distribution companies and gas companies from recovering, by means of utility rates, costs incurred from utility infrastructure maintenance, improvement, or repair resulting from actual or anticipated storm damage. While we are not in a position to speak to the reasonableness of all potential storm-related expenses, **Connecticut Light and Power's ("CL&P") and United Illuminating's ("UI") current vegetation management programs for storm resilience are contrary to state law and proper tree management policies, and until remedied, it is reasonable to prevent the utilities from recovering for the tremendous costs of these programs.**

In 2013, PURA approved over \$400 million in "vegetation management" expenses between CL&P and UI to better shield the utility infrastructure in storms. These programs are intended to reduce the chance of tree-related damage to the utility infrastructure in future storms, thereby reducing liability and the chance and duration of power outages.

But the utilities' plans do not select trees to prune or remove based on the level of risk that they present to the utility infrastructure. Instead they arbitrarily seek to removal all tall-growing tree species within eight feet of most power lines, thus **drastically increasing the number of trees to be removed and unreasonably increasing the cost of these plans.**

The plans proposed by the utilities directly contradict the prudent recommendations of the State Vegetation Management Task Force, that was established CT DEEP based upon

recommendation #23 from the Two Storm Panel Report. The SVMTF Final Report set out some very clear principles and recommendations throughout the entirety of the report that provide real guidance to utilities and this decision-making body. Among these were that: (1) “there is no ‘one size fits all’ solution,¹ and “management plans must be both comprehensive and flexible to accommodate many differences across the state;”² (2) the selection of trees to potentially be removed must be based on “[s]tandards [to] ensure tree removals are done based upon science-based professional training, shared methods of hazard assessment, and planning for tree replacement;”³ (3) they “are not advocating the wholesale removal of existing trees and replanting with only species on this list” of low growing species;⁴ and (4) the plans must achieve balance of the need to protect the utility infrastructure with the numerous benefits that the trees provide.⁵ It is unmistakable that the removal of all tall or tall-growing vegetation within eight feet of utility lines is in conflict with these legally mandated recommendations.

Under the current rate structure, the utilities not only recover the costs to execute these plans, but they actually are permitted to profit off of it, because as capital improvement projects, they are entitled to earn a percentage on their investment. **This system encourages utilities to cut as many trees as possible because they are making money off of it.** And it has led to aggressive, unnecessary pruning and removal of healthy and hazardous trees alike. This is bad for the environment and bad for ratepayers. Furthermore, the utilities already benefit from the program in the form of lower liability, which ought to lead to lower future costs.

While we cannot comment as to other expense incurred by electric distribution companies and gas companies, **we do not think it unreasonable that CL&P and UI not be permitted to recover for the excessive costs of their vegetation management programs until they fully comply with the law and policy of Connecticut.**

Thank you for your time and consideration on this matter.

Sincerely,

Zachary Bestor
Legal Fellow / Attorney
Connecticut Fund for the Environment
zbestor@ctenvironment.org
Tel: (203) 787-0646 x 108

¹ State Vegetation Management Task Force, *Final Report issued to the CT D.E.E.P.* (August 28, 2012), at 5.

² *Id.* at 12.

³ *Id.* at 6.

⁴ *Id.* at 39.

⁵ *Id.* at 13-18.