



# *Town of Wallingford, Connecticut*

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## Testimony of Wallingford Electric Division to the Joint Standing Committee on Energy and Technology

### HB 5469, AN ACT REQUIRING MUNICIPAL ELECTRIC UTILITIES TO SUBMIT A CORPORATE SECURITY DEPOSIT RETURN PLAN TO THE PUBLIC UTILITIES REGULATORY AUTHORITY

February 10, 2015

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

I am writing on behalf of Wallingford Electric Division (WED) to provide testimony on HB 5469, which requires the WED and the other Connecticut municipal electric utilities to submit their corporate security deposit return plans to the Public Utilities Regulatory authority (PURA). WED opposes this bill for the reasons set forth below.

WED is a municipally owned utility that is overseen locally by the Town of Wallingford. Chapter 101 of the Connecticut General Statutes and the Town Charter provide authority and governance structure over the WED. These provisions ensure that the governance, rate-setting and day-to-day functions of the WED are carried out in a transparent manner and that the WED is fully accountable to the customers that it serves. *It is WED's position that any additional requirements that subject the WED to the oversight or review, or initiate a reporting requirement to the PURA, would duplicate or conflict with the local governance and add no additional value to the customers we serve.*

Specific provisions that apply to the WED's oversight include:

Chapter XIV of the Town Charter, which sets forth the requirements for the governance, management and operations of the three Divisions (Electric, Water and Sewer) of the Wallingford Department of Public Utilities (the "Department"). These provisions include the following oversight functions:

- The members of the Wallingford Board of Public Utilities Commissioners (the "PUC") are appointed by the Mayor and confirmed by the Town Council.
- The annual budget for the Department is approved by the Mayor and the Town Council. Any changes to the budget during the fiscal year, such as transfers among budget accounts or amendments to the budget to fund additional activities from retained earnings, require approval by the PUC and the Town Council.
- The Town Council may exercise oversight of the actions of the PUC through a super-majority veto, within fifteen days of any action by the PUC.

Chapter VII of the Charter sets forth the functions and responsibilities of the Town's Department of Finance. The Town Comptroller is the fiscal officer of the Department.

All purchasing for the Department is carried out by the Town's Purchasing Agent, per the applicable Town ordinances.

Section VI of the Charter describes the function of the Town's Department of Law. All legal matters for the Department are handled by the Town's Department of Law, or by resources coordinated through the Law Department.

For the reasons outlined above, we believe that the municipal electric utility model is a viable means to deliver safe reliable service to our customers at the lowest practicable cost.

Thank you again for the opportunity to provide information regarding these issues that are of significant importance to Connecticut's Public Power communities. I will be pleased to provide any additional information that you require regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Adair", written in a cursive style.

George Adair  
Director – Public Utilities

GA/jac/kaw

c: Mayor Dickinson  
PUC