

TESTIMONY OF  
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Energy and Technology Committee  
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Good afternoon, Chairmen Winfield and Formica, Chairwoman Reed, Ranking Member Hoydick and members of the Energy and Technology Committee. My name is Angela Ruggiero and I am a Senior Counsel at Eversource Energy. Eversource Energy thanks the committee for the opportunity to provide testimony on various bills that have been raised for public hearing.

Eversource transmits and delivers electricity to 1.2 million customers in 149 cities and towns and provides natural gas to 222,000 customers in 72 communities in Connecticut. Eversource harnesses the commitment of its approximately 8,000 employees, 3,300 in CT, across three states to build a single, united company around the mission of delivering reliable energy and superior customer service. In CT, Eversource pays over \$173 million in taxes each year.

I am here today to speak about four bills: Senate Bill 271, House Bill 6304, House Bill 6312, and House Bill 7036.

**SENATE BILL NO. 271 - AN ACT CONCERNING MANUFACTURING FACILITIES AND INTERRUPTIBLE NATURAL GAS SERVICE**

Eversource cannot support this bill, as it puts system integrity at risk, provides substantial cross subsidization amongst customers, and increases financial risk.

There are basically two types of natural gas rates in Connecticut: firm and interruptible service rates. The firm service customer rate provides service to the customer and obligates the gas company to deliver gas 24 hours a day, 365 days a year. Under the interruptible service rate, the customer can opt to have its gas delivery temporarily discontinued/interrupted at the gas companies request and receives a lower charge for this service.

The gas companies offer the interruptible service rate as a means to balance the needs of all of its customers with its ability to supply the gas. A customer who chooses interruptible service allows the Company to "interrupt", or stop supplying gas, when all other firm gas users' need is greater than the overall Company supply to serve. Further, the customer can also opt to burn its alternate fuel and not burn natural gas if it so desires. Gas companies initiated interruptions usually occur during cold weather when firm customers are heating their premises and the total demand, including interruptible customers, can out-pace the Company's firm supply, capacity, or distribution system capabilities.

In order to qualify for an interruptible service rate, the customer must have alternate fuel capabilities, such as oil or propane, for example. The customer's energy equipment must also be able to convert between natural gas and the alternate fuel in a timely manner, usually within hours. If the customer does not have these alternate fuel capabilities, then the customer would have to close its business during cold weather interruption, sending employees home and exposing facilities to possibly damage due to freeze up.

This proposed senate bill is not fair and equitable to all natural gas customers. It is discriminatory to the firm customer, as the firm customer is paying for the entitlement to receive firm gas 365 days annually. This proposed bill, as currently written, would allow the interruptible customer to receive service without an alternate fuel, which in essence, is firm service. The interruptible rate does not reflect firm service costs and would require the *truly* firm customer to subsidize the interruptible customer, while receiving an essentially firm service.

In conclusion, gas interruptible service rates are appropriately designed to serve a gas company's operational needs and to provide benefits to a qualified participating customer. Firm rates are offered to customers who have no alternate fuel and interruptible service is offered to those that meet the qualifications for its interruptible service rate. The interruptible service rate is not merely about price options for those qualifying customers, but an alternate fuel is an essential element of that service.

#### **HOUSE BILL NO. 6304 AN ACT ESTABLISHING A PILOT PROGRAM FOR A DISTRICT HEATING**

Eversource Energy does not support this bill because as we read the bill it appears that the proponents of a Bridgeport district heating project are expecting to sell surplus electricity generated from this district heating project to the State's electric distribution companies. Eversource Energy does not feel that its customers benefit from subsidizing a district heating project in Bridgeport.

#### **HOUSE BILL NO. 6312 AN ACT CONCERNING DISTRICT HEATING SYSTEM INCENTIVE PAYMENTS**

Eversource Energy does not support this bill as there are already incentives in place to promote district heating projects. We do not believe our customers receive any benefits from providing further subsidies.

#### **HOUSE BILL NO. 7036, AN ACT PROMOTING THE USE OF FUEL CELLS FOR ELECTRIC DISTRIBUTION SYSTEM BENEFITS AND RELIABILITY**

This bill is an important step to enhance grid reliability, resiliency and transition to a cleaner and more modern electric grid. We believe allowing electric distribution companies ("EDCs") to own

the fuel cells after receiving approval from the Public Utilities Regulatory Authority ("PURA") can provide the most cost effective solution to getting these assets deployed.

We believe this bill provides an appropriate tool to balance the important interests of customers for affordable and reliable electricity while facilitating the integration of additional distributed resources into the electric system. For instance, fuel cells, when strategically coupled with electric storage are expected to enhance power quality and defer or alleviate the need for traditional utility infrastructure while serving critical infrastructure and strengthening the communities we serve.

Thank you for this opportunity to present these comments, and we look forward to working with you as this bill progresses.