



STATE OF CONNECTICUT PUBLIC UTILITIES REGULATORY AUTHORITY

Katie S. Dykes, Chair
John W. Betkoski III, Vice Chairman
Michael A. Caron, Commissioner



The Public Health Committee
Public Hearing, March 20, 2018
Joint Testimony of the Public Utilities Regulatory Authority
and the Office of Consumer Counsel

Testimony of Vice Chairman, John W. Betkoski, PURA
and Elin Swanson Katz, Consumer Counsel

**House Bill 5489 - AN ACT CONCERNING REPLACEMENT OF SERVICE
LINES BY A WATER COMPANY AND WATER TESTING**

The subject bill is very similar in nature to Raised Bill No. 5345 An Act Concerning Lead Service Line Replacement that had a Public Hearing before the Energy and Technology Committee on March 8, 2018.

The Public Utilities Regulatory Authority (PURA) and the Office of Consumer Counsel (OCC) have reviewed Raised Bill No. 5489, which seeks to (1) allow water companies to submit lead service line replacement plans to PURA; and (2) allow the Authority to authorize cost recovery mechanisms for the replacement of customer lead service lines. PURA and OCC do not oppose this bill, but believe that the appropriate action, at this time, is to have the Authority initiate a docket and report back to the Legislature on the specific need for a lead service line replacement program as well as the contents of potential lead service line replacement plans filed for approval.

While PURA and OCC appreciate the concerns that this bill is intended to address, PURA and OCC have been provided no evidence by the water companies that identifies that the replacement of the customer owned portion of a lead service line is a problem within the State of Connecticut.

To date, the extent to which service line replacement is an issue is unknown, as Connecticut's water companies have not yet presented data identifying the number of lead service lines that exist within their service territory. Additionally, neither PURA nor the OCC have received complaints or inquiries from customers who are seeking service line replacement.

It would be premature to allow rate recovery, create specific ratemaking mechanisms or design new rate tariffs to address potential issues when their scope is unknown. This is especially true when dealing with the recovery of costs that relate to the replacement of assets that are not owned or maintained by the water utilities. Allowing water utilities to be responsible for the replacement of customer or building owner property is a departure from current law and policy that requires more study and thought to be developed in a manner that carefully balances the interests of ratepayers and individual customers while addressing the intended policy goals. A PURA proceeding with input from the OCC, the water industry, and other interested parties would be the best manner to analyze the need for a utility sponsored lead line replacement program and specific approaches to potential lead line replacement plans.

Thank you once again for the opportunity to submit testimony on this proposal. If you should require any additional information, please contact Nick Neeley at 860-827-2625 or Nicholas.Neeley@ct.gov.