



## State of Connecticut

### HOUSE OF REPRESENTATIVES STATE CAPITOL

**REPRESENTATIVE KATHLEEN M. McCARTY**  
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**RANKING MEMBER**  
EDUCATION COMMITTEE

**MEMBER**  
APPROPRIATIONS COMMITTEE  
PUBLIC HEALTH COMMITTEE

August 27, 2020 \* 10:30am \* Zoom

Dear Chairmen Needleman, Arconti and Ranking Members Formica and Ferraro, and distinguished members of the Energy and Technology Committee:

First, thank you and committee members very much for holding this hearing today and for giving me the opportunity to make a few comments on the topics of electric rate increases and Eversource's response to customers during and after the most recent storm Isaias.

While PURA held a hearing (Docket 20-01-01) earlier this week to listen to testimony regarding possible rate adjustments to Eversource customers' bills, the hearing did not include the topic of Eversource's response and recovery to the storm.

The Energy and Technology Committee's interest during this difficult and financially challenging time for Eversource ratepayers is critical and it is much appreciated by me and my constituents. It is very important for the public and ratepayers to understand just why they have experienced such dramatic increases in their utility bills.

First, it was very disheartening to learn that Eversource and others were promulgating misleading information to the public that rising costs of electric bills were due in large part to the state's power purchase agreements with Millstone Power Plant.

As you are well aware, the Millstone power purchase agreement went into effect after a very extensive and competitive solicitation process, and after it was deemed to be in the best interest of ratepayers by the Department of Energy and Environmental Protection, supported by the Office of Consumer Counsel and the Public Utilities Regulatory Authority. Dominion opened its books to Connecticut regulators and complied with every request made of them.

The power generated by Millstone is being sold at a flat rate of 4.999 cents/kWh through a ten year contract which means ratepayers will benefit from this low rate for another decade. It is estimated that long term savings to the ratepayer will be in the neighborhood of two billion dollars. It is also worthy to note that the 4.99 cents kWh is 32% lower than the lowest standard offer price ever from Eversource which is 7.375 cents/kWh. While the Millstone contract is set for a ten year period that does not mean, at

its conclusion, that it cannot be renewed again for another ten years in order to help the state meet its clean energy goals by 2040.

Millstone's contract price is by far the lowest price for carbon-free, around the clock energy consistent with the Global Warming Solutions Act, and state environmental policies. Furthermore, and most importantly, the contract is undoubtedly a beneficial agreement for Connecticut consumers. Please ask yourselves one central and important question. Are you supportive of moving Connecticut to a 100% carbon free energy state? If so, you must confirm that the price of electricity from nuclear generation is much cheaper than other clean energy production.

Connecticut has the third highest electricity costs in the nation. Please recall that Millstone Power Plant supplies more than 50% of Connecticut's carbon-free energy at an excellent rate that benefits the ratepayer; it has a workforce in excess of 1,000 employees who receive high paying wages and it contributes 1.5 billion to Connecticut's economy. Without Millstone, it would be impossible for the state to meet its ambitious 100% carbon-free energy goals.

Finally, I am extremely proud of the excellent working relationship that the state and my Waterford community have had with Millstone (Dominion Energy) as a result of its professionalism, honesty and transparency over many, many years. It is time to squelch the misleading claims that Millstone is largely responsible for rising costs in the customers electric bills.

There are many complex issues and a myriad of factors that went into electric bill rate increases. One of the primary drivers and one that Eversource confirms is due to the increased usage of electricity during extremely warm temperatures, compounded with more usage as a result of consumers being and working from home during the COVID-19 pandemic. An overall increase in the transmission rate, as well as an increase in the non-bypassable, federally mandated congestion charge (NBFMCC) of which Millstone is just one line item in the 23 programs and services of NBFMCC also contributed to the rate increases.

The issue at hand however is what can be done to help Connecticut customers regarding their electric bill increases during this pandemic and public health emergency. I am grateful that PURA halted the July 1 rate increases until, equipped with testimony from Eversource, and Connecticut ratepayers, it is able to conduct a thorough examination of the causes for electric rate increases. The large rate increases in electric bills need a response and a solution from the legislature.

The Energy and Technology Committee should inquire about: the overall increase in the transmission rate and its impact on residential rates compared to commercial and industrial rates and whether such cost recoveries unfairly burdened residential customers. The committee should research rate setting processes in other states and rate transparency in Eversource's billings to customers.

Regarding Eversource's response during the storm, many good recommendations were made during the PURA hearing. One that seemed to resonate throughout was the need for more and better communication between Eversource and its customers. There seems to have been a very large disconnect with the customer base. One person revealed that she had phoned Eversource over fifty times with no response. This is not acceptable.

I am also very concerned about establishing or enforcing a priority list for our fragile, elderly and individuals with disability so that their power is restored in a timely fashion in order to guard their health and safety during power outages.

Many of my constituents have reached out to me that they were without power for many, many days during storm Isaias. Like so many of your own constituents, mine are suffering additional financial loss from spoiled foods and medicine as the result of the prolonged power outage. I am interested in finding a solution of financial relief for these customers.

Thank you in advance for your attention to my testimony.

Sincerely yours,

A handwritten signature in blue ink that reads "Kathleen M. McCarty". The signature is written in a cursive, flowing style.

Kathleen M. McCarty