



## State of Connecticut

### HOUSE OF REPRESENTATIVES STATE CAPITOL

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**RANKING MEMBER**  
EDUCATION COMMITTEE

**MEMBER**  
APPROPRIATIONS COMMITTEE  
PUBLIC HEALTH COMMITTEE

September 8, 2020 \* 10:30am \* Zoom

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

Thank you very much for holding this listening session so that the public has an opportunity to respond to the emergency response by electric distribution companies after storms and power outages and to address the rising costs of their electric bills.

I submitted testimony to the Energy and Technology Committee recently at its previous Informational Forum regarding tropical storm Isaias storm response and utility rate increases. I will therefore try to focus my comments today on proposed legislation, **LCO No. 3920 AN ACT CONCERNING EMERGENCY RESPONSE BY ELECTRIC DISTRIBUTION COMPANIES AND REVISING THE REGULATION OF OTHER PUBLIC UTILITIES.**

My comments are also primarily centered on sections of the bill that concentrate on electric distribution companies. The proposed legislation seeks to respond to the many concerns that were raised at the Public Utilities Regulatory Authority hearing on rate increases to electric bills and subsequently by your committee at its Informational Forum on August 27<sup>th</sup>.

First, it is essential that we continue to listen to and respond to the public who are complaining loudly and consistently about electric distribution companies (EDC) services, including emergency preparedness, emergency response after major storms, safety concerns for elderly and individuals with disabilities, restitution to ratepayers, communication with municipalities and customers, compensation, and dramatic increases in the ratepayer's electricity bills. LCO 3920 concentrates on a response to these raised issues and concerns of the public.

The proposed legislation establishes performance-based metrics and standards for public service companies. In my opinion this is a step forward that will be beneficial for all stakeholders. This section of the bill also asks the Public Utilities Regulatory Authority (PURA) to develop and adopt a framework for implementing these standards by September 1, 2022. Furthermore, it gives PURA the ability to determine the reasonableness of the rate of return based on performance-based metrics. All good and necessary provisions of the bill.

Section 4 of the bill deals with compensation packages for the CEO of an EDC and compensation comparability with other states with similar service areas or numbers of ratepayers. It emphasizes that compensation that is recoverable through rates be dependent on performance-based targets with oversight by PURA. This seems to be a reasonable and improved approach to compensation for CEO's of electric distribution companies.

Sections 11-12 speak to credit and restitution made to customers after 72 hours without service for service outages under 875,000. A credit to the customer's account for each day of service outage that occurs more than 72 hours (lines 403) and compensation for food and medicine, and a requirement for an administrative plan by the EDC to PURA by March 1, 2021 on how to implement the compensation reimbursement. After the last tropical storm many of my constituents, as well as others throughout the state, suffered financial loss and were exposed to unsafe conditions as a result of prolonged power outages caused by insufficient preparation of the EDC. It only seems reasonable to offer some sort of restitution to customers in the event of service outages that exceed 72 consecutive hours after occurrence of an emergency.

While I am generally opposed to increased regulations and mandates in most arenas, I am favorable to the majority of the sections of the proposed legislation because of the past inadequate performance of the largest electric distribution company in the state. I would however like to have assurance that the actions taken by the Energy and Technology Committee do not inadvertently increase the ratepayer's electricity costs. I know this is the exact opposite intention of the proposed legislation. For this reason, I am pleased to see language in Section 11 of the bill that states, "**Any costs incurred by an electric distribution company pursuant to this section shall not be recoverable.**" (407-08) and the same language at the end of Section 12, lines (429-30).

Other areas of the proposed legislation including: standards for minimum staffing, communication policies with state, local officials and customers, the opening, operation and staffing of regional service centers, creation of an independent consumer advocate, all seem like appropriate requests and the right course of action particularly after listening to the testimony of municipal leaders at the Committee's Informational Hearing.

In conclusion, I commend the Energy and Technology Committee for taking the initiative to establish a fairer and stronger regulatory system that will incentivize EDC's to establish and maintain good performance. The proposed legislation will ultimately protect Connecticut's electric ratepayers and provide them with enhanced customer service, communication, and restitution for inferior performance by an electric distribution company.

Thank you in advance for reading my testimony.

Sincerely yours,



Kathleen M. McCarty