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I am Angela O'Connor, president of NEPGA, the largest trade association in New England representing competitive electric generating companies, including 6 companies in Connecticut and 14 throughout New England that generate over 20,000 megawatts (MW) of power in the region. Thank you for the opportunity to submit written testimony regarding H.B. No. 7097 and 7098. I appreciate the chance to address the challenges that Connecticut faces to provide power to consumers and businesses.

The fact is Connecticut cannot afford to wait any longer to fix the problems it faces when it comes to making sure everyone has the power it needs and can afford to pay.

With the recent skyrocketing prices of fuel used to generate power, the slow approval process for much of CT's needed transmission upgrades and the lack of generation in the right geographic locations everyone agrees that CT ratepayers are feeling the pain and will continue to feel the pain if action is not taken now.

The first action that can be taken is to let the DPUC RFP process reach its goal of awarding contracts to new peaking generation due in mid April of 2007.

Continue the efforts in conservation, continue to incentivize plans for demand response, develop efficiencies in ratepayer usage, and focus on utility development and building of new and expanded transmission lines across CT.

Leave generation to those who can put iron in the ground efficiently, competitively priced and that currently retain the expertise to get it done on time and within a set budget. Efforts to return energy generation to the states two utility companies will not result in the desired ratepayer benefits.

Remember what happened back then? Under the old monopoly system, utilities made investments and all costs associated with the building, maintaining and operation of utility owned plants resulted in consumers paying more than they should to utilities who were guaranteed cost recovery and a return on all investments. And, the less efficient those electric utility companies were and the greater their costs, the more they were reimbursed and consumers were left holding

the bag for many years to come. In fact, as we sit here today, every month consumers are still paying for those increased expenses made back in the 90's through the stranded costs authorized in statute and set by the DPUC in addition to higher electricity rates because of skyrocketing gas prices.

That's why Connecticut took utilities out of the electricity generation business.

Going back to a broken system that forced ratepayers to pay for all the expenses of utilities plus a guaranteed a profit --- is wrong. It is not the answer for Connecticut, for residential and commercial ratepayers.

And that's exactly the reason why CT should not let utilities get back in the business of building power plants. It didn't work before and it won't work again and everyone in Connecticut will pay the price...again.

So what can be done to fix this problem? Plenty.

First, let's look at why electricity rates are so high. The real reason electricity rates have not gone down in Connecticut is the fact that not enough power plants are being built, many of the power plants that exist rely too heavily on fuel sources that are subject to extreme price volatility, and the transmission system used to deliver electricity to ratepayer homes is outdated. Those are the real problems here.

Therefore, the real answers to Connecticut's problems are to build more plants that produce cleaner energy in the most efficient way possible. That is exactly what the generating companies in Connecticut can do and are doing in states across the country. It is time for Connecticut to do the same with the companies here who are getting the job done.

Connecticut must also require the utilities to update the old transmission infrastructure so that electricity is delivered to ratepayers homes more efficiently and more cost effectively.

Second, don't forget under the old monopoly system, the consumer took the risk and paid for the electric utility company's costs of building the power plant and their over runs . That is not the case anymore. The fact is under the new competitive system the generating companies take the risk and pay for the building costs. Not the consumers. There is no guaranteed profit or return on investment -- if the company building the power plant makes has cost overruns or is inefficient that company eats the cost...not you.

That way the state and consumers no longer subsidize inefficiency, guarantee electric utility companies a profit or give electric utility companies a monopoly on both the production of electricity and its delivery -- if they are inefficient. And that's the way it should be.

So the choice is clear: Connecticut can keep paying the highest rates in the country and run the risk of not having enough power due to legislative uncertainty or the state can have more power by building more generation plants that will also take the financial risks...not the consumers. You be the judge. The choice is yours.

Thank you.