

Protect the Public Interest

Statement from the Connecticut Roundtable on Climate and Jobs Opposing CL&P's Proposed Residential Fixed Charge Increase November 2014

We are participants in a statewide roundtable on climate and jobs that includes labor unions, community organizations, religious groups, the business community, and environmental organizations. We are deeply concerned about the need to build a sustainable economy with good-paying jobs here at home while reducing the threat of climate disruption here and around the world. We believe that right now Connecticut faces an important opportunity to address both the economic crisis and the climate crisis.

We oppose Connecticut Light and Power's proposal to increase its fixed monthly residential charge from \$16 to \$25.50, an increase of nearly 60%. The proposal includes similar fixed charge increases for small businesses, houses of worship and schools. With surprising candor, the company has admitted that it wants to reverse the downward trend in revenue resulting from energy efficiency and distributed generation.

We strongly encourage the Public Utilities Regulatory Authority (PURA) to reject CL&P's proposal. Since the state of Connecticut guarantees CL&P a monopoly in its service area, PURA is charged with ensuring that CL&P operates in the public interest.

We do not believe the proposed rate increase would serve the public interest:

- it would place an undue burden on low-income customers;
- it would reduce the incentive for energy efficiency and rooftop solar, which are critical elements of a comprehensive climate protection plan; and
- it would discourage the expansion of a clean energy sector that provides green jobs for workers right here in Connecticut.

For the typical residential customer who uses about 700 kWh a month, more than half of the distribution charge will become fixed rather than variable, thereby reducing the customer's control over the monthly bill. The annual increase of \$114 in the fixed fee will hit hardest those with the least ability to pay – including low-income families and seniors – and have a proportionately greater impact on the electric bills of those who use less energy.

Since the higher fixed fee will reduce the financial return on energy-saving investments, it contradicts the state's long-established policy goals:

- increasing energy efficiency and conservation;
- expanding the proportion of our electricity that comes from renewable sources; and
- reducing emissions of carbon dioxide.

CL&P customers support those policy goals with tens of millions of dollars each year through the programs of EnergizeCT. And those goals are more than just good public policy; they are necessary steps toward a climate-safe economy – one which will provide good jobs in a thriving clean energy sector.

CL&P's parent company, Northeast Utilities, recently announced a 12% increase in third quarter profits (compared with 2013). CL&P currently employs fewer linemen per capita than it did twenty years ago and is in the process of closing a dozen of its maintenance garages across the state. In addition to a 60% boost in the residential fixed fee, CL&P is also seeking to increase its guaranteed rate of return to 10.2%. Since no other state in New England has a major electric company with a residential fixed rate charge of more than \$14 per month, it seems like the public interest is taking a back seat to corporate profits in CL&P's proposals.

We urge PURA to protect the public interest in affordable electricity, climate protection and clean energy jobs. Reject CL&P's proposed increases in its fixed rate charges.

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*The following people have endorsed this statement **as individuals** and NOT on behalf of or representing any organization or institution.*

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