

Office of Consumer Counsel



At a Glance

ELIN SWANSON KATZ, *Consumer Counsel*

Established - 1975

Statutory authority - Connecticut General Statute §16-2a

Central office - Ten Franklin Square,

New Britain, CT 06051

Number of employees - 13

Recurring operating expenses - \$ 2,765,588

Organizational structure – Independent office. Department of Energy and Environmental Protection provides administrative support pursuant to Public Act 11-80.

Mission

To serve as a strong independent voice for Connecticut's public utility and telecommunications consumers through advocacy and customer education.

Statutory Responsibility

The Office of Consumer Counsel's ("OCC") statutory responsibilities include the following legislative mandate:

- Advocate for ratepayers in all matters which may affect Connecticut consumers with respect to public service companies, electric suppliers, and certified telecommunications providers, including, but not limited to, rates and related issues, ratepayer-funded programs, and matters concerning the reliability, maintenance, operations, infrastructure, and quality of service of such companies, suppliers and providers;

- Appear in and participate in any regulatory or judicial proceedings, federal or state, in which the interests of Connecticut ratepayers may be involved, or in which matters affecting utility services rendered or to be rendered in Connecticut may be involved;
- Act as a party to each contested case before the Public Utilities Regulatory Authority (“PURA”) and participate in these proceedings to effectively represent ratepayer interests;
- Appeal from a decision, order, or authorization in any such state regulatory proceeding conducted by the PURA, even if the OCC does not appear or participate in the proceeding.

Public Service

The OCC raises public awareness of the issues and challenges faced by utility consumers in Connecticut by promoting efficient, reliable, and reasonably-priced utility and telecommunications service. The OCC also promotes the development and support of statutes, regulations, and policies that protect and enhance consumer interests. The OCC appreciates that we are the voice of ratepayers, and have made an increased effort this year to keep our audience informed. We have made significant improvements to our public relations efforts, including creating a more robust and informative website at www.ct.gov/occ. We recently formed an Outreach Committee focused on building relationships with municipalities, legislators, and the business community. We developed a new logo and motto, which highlights the OCC’s commitment to “advocate, educate, and serve.” The OCC has received much positive feedback on these outreach efforts and will build on this momentum in the coming year. These activities of the OCC benefit the ratepayers of Connecticut and contribute to the creation of forward-looking energy policies and laws.

Improvements/Achievements 2011-12

During its thirty-seventh year, the OCC continued to operate as a fully independent state agency committed to effectively carrying out its statutory mandate. OCC’s specific achievements this year include:

- Achieved approximately \$730 million dollars in direct savings to Connecticut ratepayers in the 2012 fiscal year through the OCC’s advocacy in dockets before the PURA. The OCC Scorecard, which tallies savings to ratepayers achieved by the OCC, is available at <http://www.ct.gov/occ/lib/occ/scorecard>.
- Devoted significant resources to resolving the devastating power outages caused by Storm Irene and the unprecedented October Nor’easter in 2011, including meeting with municipal officials for input and feedback; partnering with the Connecticut Conference of Municipalities to survey Connecticut towns to evaluate the communication and restoration efforts of all utility companies; participating in the docket opened by PURA to investigate the response efforts of utility companies; and supporting the majority of PURA’s findings in its final decision in the storms investigation docket, especially PURA’s consideration of

sanctions in future dockets and specific improvements ordered for providers of wireline service restoration. However, the OCC had sought several more specific orders from PURA, including improvements to Connecticut Light and Power's ("CL&P") town liaison program as well as a finding that CL&P's outage restoration estimate was erroneous, unreasonable, and harmful. In the next fiscal year, the OCC will represent ratepayers in at least nine dockets opened as a result of issues raised by the Storms Docket.

- Successfully advocated both before PURA and in state court for review of the proposed merger of Northeast Utilities and NSTAR ("NU/NSTAR") and vigorously pursued this request for over one year until PURA ultimately agreed to review the proposed merger in a docket proceeding. The OCC, along with the Attorney General and other state parties, negotiated a settlement agreement which brought some enormous benefits to the State, including a freeze of CL&P distribution rates until December 1, 2014; \$25 million in near-term rate relief for consumers; \$15 million from NU for several key energy programs; preserving jobs and open space; and addressing the important issue of future storm response by the merged companies.
- Continued our work on numerous fronts with ISO-New England, the New England Power Pool (NEPOOL), and the Federal Energy Regulatory Commission ("FERC"). The Office has been involved in various regional electricity market rules and market design issues at FERC and NEPOOL for almost fifteen years, and worked with FERC this year on issues including rates for power plants and gas pipelines. The Consumer Counsel recently participated on a FERC regional electric-natural gas coordination panel in Boston to address challenges in aligning the electric and natural gas markets. In addition, the OCC is involved in a complaint at FERC arguing that rates involving returns on equity that transmission owners receive are unreasonably high. The OCC staff is also involved in negotiating changes to the Forward Capacity Market, a significant regional energy market. The OCC recognizes the vital importance of working with other states on regional and federal issues involved in the high cost of energy.
- Proposed several revisions to this year's Legislature to clarify state law governing disclosure of the salaries of directors and officers of public service companies. The proposed language included proposals to limit the portion of executives' salaries that could come from ratepayers to \$350,000, while shareholders could continue to grant salaries at higher levels at their own expense. The OCC also addressed the issue of tree trimming around power lines and poles by suggesting changes clarifying PURA's role, and establishing a set clearance area where an electric distribution company may trim, although the proposal did not pass this year. The OCC will continue its advocacy at the next legislative session, proposing revisions, amendments, or new state statutes as ratepayer needs arise.
- Received a broader mission and support from the Legislature this year through the passage of Public Act 12-148, *An Act Enhancing Emergency Preparedness and Response*. Section 9 expands the OCC's statutory mission by clarifying that the OCC's role includes advocating for reliable service and adequate utility infrastructure. Although the OCC was already engaged and working on these issues, the OCC is encouraged that the Legislature has expressly charged it with these additional responsibilities and hopes in the near future to

expand its office to advocate even more effectively under this comprehensive statutory charge.

- Provided a joint legal defense, with the Attorney General's Office and CL&P, in administrative appeals of PURA decisions involving the interpretation of contracts between CL&P and three power plants: Waterside Power, Kleen Energy, and Waterbury Generation. The underlying dispute involves the amount to be paid to the power plants under the contracts, and involves millions of dollars in revenue. Whatever the power plants receive under the contracts is passed through to ratepayers, so ratepayers have a significant stake in the outcome. The dispute is presently before the Superior Court, and briefing may commence soon.
- Urged Congressional leaders to support full funding of the Low Income Home Energy Assistance Program (LIHEAP), which had been threatened with an 18% reduction in funding as Congress prepared to fund the federal government into the next fiscal year. In January 2012, an additional \$19 million in LIHEAP support was provided to help low-income residents.
- Cautioned consumers not to sign long-term contracts for electrical service that would lock them in to a higher rate for 2012, since a reduction in Standard Service rates beginning in the first months of 2012 would reduce or eliminate the price gap between standard service and the rates offered by third-party electric suppliers.
- Successfully argued before PURA for imposition of more stringent oversight of and financial responsibility for NU following an investigation of hazards in the Waterbury underground electric distribution system. PURA largely followed the recommendations of the Attorney General and Consumer Counsel in deciding that CL&P customers should not have to pay for repairs and remediation to the Waterbury underground system that resulted from poor workmanship by contractors and inadequate supervision and inspection by CL&P. PURA's investigation of the Waterbury system began in 2006 after three fires damaged the city's underground distribution system.
- Advocated for an effective resolution of pole administration issues. The OCC has recommended for over a decade that a statewide utility "pole administrator" be appointed to manage access to utility poles, objectively assign priority of work on the poles, and perform audits of the work and safety status of utility poles across the state. Critical public safety issues resulting from devastation to the state's utility poles caused by the two 2011 storms (Irene and the October Nor'easter) led PURA and the pole-owning utilities to finally acknowledge the need for implementing central management of the public rights of way across Connecticut.

The OCC worked on several fronts in pole administration during this fiscal year:

- 1) The state's Broadband Policy Coordinator (a principal attorney at the OCC) testified as an expert witness in the Storms Docket to provide evidence for PURA to approve a single pole administrator in each of the electric distribution companies' service territories to manage utility poles in the public-rights-of-way (PROW) and coordinate

emergency restorations as the single point of contact for the diverse universe of telecommunications providers attaching equipment on the over 800,000 poles in this state.

- 2) The OCC team's advocacy in the various storms dockets on this vital issue was rewarded by PURA's recent order that a PURA-appointed Working Group, composed of all parties with an interest in pole management, shall develop and recommend by January 31, 2013 a process to transfer management of the attachment of utility equipment in the PROW to a third-party administrator in order to improve productivity, oversee safety issues involved in utility poles, and develop a more responsive management system for the PROW. The OCC looks forward to serving a central role in the coming months in that effort to jumpstart a permanent program with practical results.
- Represented ratepayers in an appeal of a Connecticut Siting Council decision granting a Certificate of Environmental Compatibility and Public Need for the Greater Springfield Reliability Project, which appeal was taken by the plaintiff Citizens Against Overhead Powerline Construction to the Appellate Court of the State of Connecticut after being dismissed by the Superior Court (*Citizens Against Overhead Powerline Construction, et al. v. Connecticut Siting Council, et al.*, A.C. 33362). The OCC argued that the Appellate Court should dismiss the appeal on the alternative ground that the plaintiffs had improperly appealed from a decision that was not final, as it was subject to reconsideration by the Connecticut Siting Council. The purpose of seeking dismissal of the case on this alternative ground was to provide certainty for all parties to administrative appeals as to which agency decision constitutes a final, appealable decision when an agency reconsiders an initial decision pursuant to Conn. Gen. Stat. §§ 4-181a and 4-183(c), as amended by Public Act 06-32.
 - Continued the work of the state's Broadband Policy Coordinator, a member of the OCC and funded through a \$3.8 million federal grant received in 2009 to launch the State Broadband Initiative (SBI) program to accelerate creation of ultra-high-speed network services to all Connecticut communities and increase adoption of broadband services by all residents and businesses. The Coordinator continues to manage the state's broadband mapping and is developing a strategic plan dedicated to integrating broadband and information technology into state and local economies. This year's efforts included working with UCONN, the Connecticut Education Network, and the Department of Economic and Community Development (DECD) to bring the national Gig.U ultra-high-speed broadband initiative to UCONN, a project which will enable Connecticut communities and businesses to compete globally. Improved telecommunications capability will ensure that Connecticut may compete on equal footing with other tech-savvy states and nations. Details of this exciting and challenging initiative are available at www.ct.gov/broadband.
 - The OCC continued its participation and leadership this year in utility-related organizations, committees and boards, where it serves as a respected voice for ratepayers among state, regional and national policymakers and industry professionals, including the following:

- 1) Appointed by statute in 2005 as a voting member of the Low Income Energy Advisory Board (“LIEAB”), the OCC participated once again over the past year, analyzing utility policies and procedures on arrearage forgiveness and working to ensure that community action agencies have the necessary procedures in place to process applications for energy assistance. OCC took part in LIEAB’s annual recommendations to the Office of Policy and Management (“OPM”) and the Department of Social Services (“DSS”) on energy issues which impact low-income ratepayers.
- 2) The OCC continues to be a voting member of the Energy Efficiency Board (“EEB”), which oversees the Connecticut Energy Efficiency Fund (“CEEF”). The participating member of the OCC held the title of “First Vice-Chair” until his retirement in June. The current OCC member serves on the Board’s Evaluation Sub-Committee, as well as the Residential/Home Energy Solutions Sub-Committee. On the EEB, the OCC advocates on behalf of ratepayers by advising the electric distribution companies on programs and planning, as well as tracking and evaluating programs.
- 3) The Consumer Counsel serves as Chair of the Connecticut Energy Advisory Board (“CEAB”), which was reorganized as a result of P.A. 11-80. CEAB’s major initiatives for 2012 included work with the Department of Energy and Environmental Protection (“DEEP”) consulting on preparation of an Integrated Resource Plan (“IRP”) and a Comprehensive Energy Strategy. For more details on CEAB’s accomplishments this year, visit its website at <http://www.ctenergy.org>.

Information Reported as Required by State Statute

The OCC has complied with all state requirements regarding affirmative action and equal opportunity, most particularly Conn. Gen. Stat. §§46a-70 through 46a-78, and is in compliance with all federal requirements.