

OFFICE OF CONSUMER COUNSEL

At a Glance

MARY J. HEALEY, Consumer Counsel

Established – 1975

Statutory Authority – CGS sec. 16-2a

Central Office – Ten Franklin Square, New Britain, CT 06051

Website: www.ct.gov/occ

Average number of full-time employees – 11

Recurring operating expenses - \$1.9 million

Capital expenditures - \$33,350

Mission

The Office of Consumer Counsel (OCC) is the State of Connecticut's statutory advocate for all utility ratepayers. OCC seeks to ensure just and reasonable rates and reliable utility service for customers of Connecticut's electric, gas, telephone, and water utilities and reasonable protections for cable television customers. OCC's advocacy includes the promotion of beneficial policies for ratepayers, such as the conservation of energy resources. We participate actively in proceedings before the Connecticut Department of Public Utility Control, the Federal Energy Regulatory Commission, the Federal Communications Commission, and state and federal courts. We also seek to advance the goals and protect the needs of ratepayers at the U.S. Congress and the State Legislature.

Improvements/Achievements 2005-06

Over \$219 million in direct savings to Connecticut ratepayers was achieved by OCC this year through its legal advocacy in Department of Public Utility Control (DPUC) dockets. For example, OCC's participation in a case involving The United Illuminating's (UI) proposal for a multi-year rate increase with annual incremental rate increases over a four-year rate plan helped save ratepayers a total of \$25.5 million for 2006, and \$100 million over four years; an additional \$12.5 million in savings to ratepayers resulted from OCC's advocacy in a rate case involving Southern Connecticut Gas Company, which also resolved numerous tenuous ratemaking issues that have surrounded the Company for up to a decade. In the DPUC docket which set The Connecticut Light and Power's (CL&P) electricity rates for the 2006 Transitional Service Offer, OCC successfully argued that an accelerated use of bill credits would minimize the rate increases during the winter months and also suggested changes to the rate design methodology used to allocate the rate increase, resulting in ratepayer savings of approximately \$148 million in 2006. OCC's proactive and persistent advocacy before the DPUC this year in a docket establishing the process by which the State procures its electricity supply resulted in changes being made to the annual process to improve transparency and accountability by including OCC and the Attorney General's Office in providing input to the electric distribution companies as they procure electric supply for the coming years and by observing the actual bidding process.

For the second year in a row, the OCC was victorious at the Connecticut Supreme Court in a telephone case, receiving an award of nearly \$3 million in refunds to consumers by arguing that AT&T Connecticut had violated a state statute that requires that quality of service be maintained during a strike. In a novel case not seen in any other state or on the federal level, involving the new convergence of telephone and cable television (called IPTV), the OCC has launched state and federal lawsuits in an effort to assure that a level-playing field will continue to promote competition among multiple providers, while assuring that consumers and municipalities are not discriminated against as to service, quality, or price.

OCC participated actively in settlement negotiations as to the Federal Energy Regulatory Commission's (FERC) Locational Installed Capacity (LICAP) proceeding. LICAP payments are provided to power plants and other resources for being available, and are in addition to payments that power plants receive for the energy they produce. The settlement, which was joined by OCC, replaces the expensive ISO-New England LICAP proposal that was initially approved by FERC with an auction market approach that reflects principles offered by OCC and DPUC in the LICAP proceeding. Savings for ratepayers from the settlement over the next five years are estimated to be approximately \$800 million when compared to the original LICAP proposal that had been approved by FERC and that likely would have been implemented absent a settlement.

OCC continues representing ratepayer interests as an active member of the Energy Conservation Management Board (ECMB), an advisory board assisting the utility administrators of the ratepayer funded Connecticut Energy Efficiency Fund (CEEF). During 2005-2006, ECMB continued saving energy, saving ratepayer money, and reducing pollution in Connecticut, especially in southwestern Connecticut where the most significant power congestion problem occurs. The lifetime savings resulting from this year's CEEF programs is 4.4 billion kilowatt hours, equal to \$550 million saved in electric energy costs. Another vital role is OCC's presence as Vice-Chair of the statutorily mandated Connecticut Energy Advisory Board (CEAB), charged with developing the state's annual energy plan, among other activities. OCC represents the interests of Connecticut ratepayers before regional planning bodies such as ISO-New England as a member of The New England Power Pool (NEPOOL) Participants Committee. Of special note is the role of OCC's Consumer Counsel in overseeing the Governor's "Energy Efficiency Call to Action," which targets important energy efficiency efforts by all state agencies with the goal of reducing energy use in state facilities and instilling an energy efficiency ethic at all state facilities. Finally, OCC represents the interests of low-income ratepayers in its service to the Low-Income Energy Advisory Board, particularly in its advocacy involving effective arrearage forgiveness programs for low-income ratepayers administered by utility companies.

Information Reported as Required by State Statute

The Office of Consumer Counsel's Affirmative Action Plan for the reporting period October 1, 2003 through September 30, 2005 was approved by the Commission on Human Rights and Opportunities on April 11, 2006, and was granted biennial filing status. OCC continues its strong commitment to the policies, principles and practices that promote equal employment opportunity in contracts, programs and agency policies, including affirmative action. The agency has developed and implemented hiring and contracting goals to maintain a diversified work force. All OCC policies and procedures are consistent with state and federal reporting procedures.