

**State of Connecticut
Office of Consumer Counsel
Consumer Counsel Mary J. Healey**

**Appropriations Hearing Presentation
February 20, 2007**

Quality of Life Result: The Office of Consumer Counsel is an independent state agency and acts as the advocate for consumer interests in all matters which may affect Connecticut consumers with respect to public service companies, such as electric, natural gas and water suppliers, and various telecommunications providers.

Key Funding Information: The OCC is a party to each contested case before the Department of Public Utility Control and is authorized to appear in and participate in any regulatory or judicial proceedings, federal or state, in which such interests of Connecticut consumers may be involved, or in which matters affecting utility services rendered or to be rendered in this state may be involved.

- ***One authorized vacancy is unfilled because it remains “unfunded.”***
OCC has filled its job vacancies going from 10 to 16 employees, including a paralegal, accounts examiner, finance specialist, rate specialist, and two attorneys. The agency is authorized for 17 positions so one authorized vacancy is unfilled because it remains “unfunded.” OCC’s last approved budget “gave back” funding of Personal Services (salaries) for 16 positions, but failed to provide the associated Fringe Benefits.
- ***Caseloads have steeply increased.***
OCC has been inundated with rate cases from gas, electric and water utilities since early 2006 and we expect that trend to continue through 2007. Increased case activity is due largely to increased activity resulting from the Energy Independence Act and continuing procurement of electric generation services.

Items Requested by OCC, but not included in Governor’s Budget

- ***Failure to fund \$16,282 of additional out-of-state travel.***
OCC requests that out-of-state travel be restored as the funding is necessary for participation at federal agencies in Washington, D.C., as well as for participation in ISO-New England and NEPOOL. Travel is also necessary for the training of new employees. The OCC, like the DPUC, is active in its national association, NASUCA, occupying several executive positions which require occasional travel.
- ***Failure to fund \$205,945 of additional consultant expense.***
OCC’s statutory mandate to advocate for consumers in DPUC contested cases or federal agency proceedings includes the authority to hire outside experts. The current allowance does not even cover the costs of the consultant OCC hires to assist it in its participation in

ISO-NE and NEPOOL activities, which in light of the current crisis situation in the electric market are essential functions that only the OCC can fulfill.

Increases in OCC's Budget Associated with Governor's Energy Initiative

- ***Transfer consumer complaints interface to OCC.***

The Governor's Budget includes an increase of \$607,483 to expand the Office's function and transfer of 7 positions from DPUC to handle consumer complaints and interface with utilities on behalf of customers. The OCC is empowered by state statute to act as an advocate on behalf of public utility consumers, while in contrast the consumer complaint function often involves siding with utilities if the consumer's claim is incorrect. For instance, the group participates in hearings as objective analysts of utility consumer activities, not as advocates, often cross examining consumers to determine the truthfulness of their claims. This might prompt the need for a physical and corporate separation on OCC's future staff.

While not speaking on the merits of the proposal, the addition of seven employees is woefully inadequate. Currently, the DPUC has fourteen employees (excluding a vacant Director's position) performing this role now. To assume that OCC could effectively perform this function with half the employees is incorrect. The unit handled nearly 7,000 customer inquiries, including over 3,000 complaints in 2006, as well as handling customer service, enforcing utility company rules and regulations, and service quality issues in proceedings before the DPUC.

OCC believes a transfer of additional personnel above that contained in the Governor's Budget would be necessary to perform the new role in a thorough and appropriate manner. Additionally, an appropriate level of fringe benefits must follow the proper staffing complement.

The Governor's Budget includes an increase of \$89,441 in Other Expenses (OE) associated with the expansion of the Office's function and transfer of 7 positions from DPUC to handle consumer complaints and interface with utilities on behalf of customers. OCC will require additional funds to cover increased office space, utilities, telephone, office expense and related items. The increase of less than \$13,000 per employee is well below the approximate \$29,500 (\$501,652/17) of other expense contained in budget at OCC's lower staff level. An adjustment increasing these expenses is therefore necessary.

- The Governor's Budget includes a reduction to Personal Services of \$77,150 associated with "PS Turnover". That equates to at least one full-time funded vacancy. OCC is nearly fully staffed and does not see a constant level of vacancies going forward and does not see how it would achieve these savings. The turnover adjustment of \$77,510 recommended for OCC is inconsistently about the same as the DPUC and Department of Banking, while the staffing level is approximately one-third of these other larger agencies.