

The Energy and Technology Committee

February 27, 2007

Raised Bill No. 1332: AAC ON-SITE FUEL STORAGE

Testimony of

The Office of Consumer Counsel

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The Office of Consumer Counsel (OCC) has carefully reviewed and DOES NOT SUPPORT **Raised Bill No. 1332: AAC On-Site Fuel Storage.** OCC does support, for the sake of electric and natural gas reliability, the on-site storage of alternative fuels by power plants and commercial and industrial users. However, OCC has serious concerns about details in this bill.

The proposed new section Section 16-32f(b) is problematic. It requires that *gas companies* provide adequate planning of the delivery of *alternative service* to interruptible or nonfirm service basis customers. This shifts the costs and burdens of alternative service (i.e., oil) planning from the unregulated oil company and its customer to the regulated gas companies and its ratepayers. As most customers, including all residential customers, have no access to interruptible or non-firm service, this cost shift would lead to a rate increase for most customers without a clear resulting benefit to most customers. Given that natural gas rates are already significantly higher than historical norms, OCC cannot support actions that would further increase rates.

Also, from a common sense perspective, OCC does not know whether the gas companies have the ability or the means to *plan for alternative, non-gas service*. The traditional, regulated gas companies, being Yankee Gas, Connecticut Natural Gas and Southern Connecticut Gas, are gas companies, not energy companies with access to oil pipelines or other oil services. The natural gas ratepayers of this State should not have to pay for the regulated gas companies to gain this expertise.

Also, the requirement in new section 16-32f(b) that the gas companies “provide for planned, stated and coordinated interruptions in service for each customer for a period of not less than *six weeks* between November first and March thirty-first each year” (emphasis added) seems wildly extravagant. While there have been occasional interruptions in service for interruptible gas customers, OCC is not aware that there has been an interruption for anything even approaching weeks, much less six weeks. If such extravagant planning is deemed warranted, the costs of same should be placed on the interruptible and non-firm gas service customers, each of whom would have the ability to choose

firm gas service to avoid such planning charges.

In the above paragraph, OCC has assumed that the legislation requires the gas companies to *plan* for the possibility that interruptible gas customers could have their gas service interrupted for six weeks. However, the language may be read as *requiring* interruption of gas service for six weeks. If so, OCC's concerns about this proposed legislation are amplified. It is OCC's understanding that many customers with interruptible gas service do not have the option, under their environmental permits, to switch to oil service for six weeks. From an environmental perspective, the State should generally be moving toward less reliance on burning oil, not more.