



STATE OF CONNECTICUT **NEWS RELEASE**

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OCC Files Motion to Dismiss Rand Whitney Containerboard's Application for a "Gift" from Ratepayers of Over \$5 Million.

The Office of Consumer Counsel (OCC), the State's advocate for utility customers, has today filed a motion with the Department of Public Utility Control (DPUC) urging DPUC to reject a proposal by Rand Whitney Containerboard (Rand Whitney) for a grant from electricity customers.

Rand Whitney, a company with a recycled paper mill in Montville, is proposing to upgrade an existing small power generation unit at the mill, raising the output of the unit from 12.3 megawatts to 14.2 megawatts, an addition of approximately 1.9 megawatts.

By state statute, DPUC has been awarding grants to large and small businesses to promote the development of small, on-site power plants. Such grants may only be awarded, by statute, if one can project that the grant will result in a net reduction in electricity costs as a result of the increased supply.

Under the statute and the existing DPUC grant program, Rand Whitney may be entitled to a grant calculated based on the 1.9 megawatt upgrade, in the approximate amount of \$855,000. However, under a provision tucked into the big energy bill passed this year, Public Act 07-242, An Act Concerning Electricity and Energy Efficiency, Rand Whitney is claiming a right to a grant of \$6.39 million, calculated based on *the existing 12.3 megawatts plus the 1.9 megawatt upgrade*.

OCC is outraged by Rand Whitney's effort to obtain a grant from ratepayers reflecting the 12.3 megawatts that they had already decided to install in 2005 in their own economic interest. In essence, approximately \$5.54 million of Rand Whitney's application represents their effort to receive a gift from ratepayers for their lobbying activities, rather than a proposal that will benefit customers by reducing electricity costs.

OCC filed a Motion to Dismiss with DPUC today stating two grounds for dismissing Rand Whitney's attempt to receive a grant from ratepayers for its existing 12.3 megawatts. First, OCC argues that the provision of Public Act 07-242 cited by Rand Whitney, being Section 18 thereof, does not allow them to seek a grant for existing megawatts that they had already installed for their own economic interests; rather, the statute governing the grant program still only

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authorizes a grant from ratepayers to spur the development of new and incremental megawatts. Second, OCC argues that even if Public Act 07-242 does authorize a grant for existing megawatts that have undergone an upgrade to operate more efficiently, the statute only authorizes a grant to the extent that the efficiency upgrade is projected to reduce costs for ratepayers. Rand Whitney has not shown that the purportedly more efficient operation of their existing megawatts will reduce electricity costs for customers.

Consumer Counsel Mary Healey stated that “we have given the DPUC all the facts and law they need here to dismiss Rand Whitney’s attempt to receive an unlawful and unwarranted gift from ratepayers of over \$5 million. With the skyrocketing electricity costs that ratepayers are already facing, to ask ratepayers to pay companies for existing megawatts installed years ago would be nothing short of unconscionable.”

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