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Blumenthal presses for state-run power authority

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NORWALK

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By ROBERT KOCH

Hour Staff Writer

The General Assembly's Energy and Technology Committee heard testimony Tuesday on a bill that would create a state-run, public power authority.

The American Association of Retired Persons cited a report that concluded that Connecticut's electric rates are among the highest in the nation despite deregulation a decade ago.

"With electricity prices escalating more than 100 percent, it is obvious that deregulation has not lived up to its promise," said David Thomas, AARP Connecticut's volunteer economic security advocacy leader. "AARP's report outlines how a Connecticut Power Authority could bring competition and better serve the interests of the state in lowering energy rates for consumers and businesses."

The report, prepared for AARP by McCullough Research of Portland, Ore., recommends creating a state power authority modeled after the new Illinois Power Agency. Such an entity would bring competition in wholesale power options for businesses and consumers, negotiate long-term contracts with electric generators and use tax-exempt bonds to construct new power plants, according to the report.

Richard Soderman, director of legislative policy for Northeast Utilities Co., however, told lawmakers that the bill would "remove retail choice for customers who presently are eligible for standard service rates." The legislation also would create a new state agency, the Connecticut Electric Authority, which would add unneeded additional oversight, according to Soderman.

"Under the proposed bill, many responsibilities are shifted from the (Department of Public Utility Control) to a new power authority," Soderman said. "This could cause of duplication of staffs, and it could substantially increase the costs of many regulatory functions today."

But state Attorney General Richard Blumenthal, who proposed a public power authority several years ago, said such a public power authority would "rein in a runaway market."

"Connecticut's electric consumers pay the second-highest power prices in the nation -- prices that will continue to spiral astronomically if the state fails to act," Blumenthal said.







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In Norwalk, the 2nd and 3rd Taxing districts operate public utility companies, which purchase electricity through the Connecticut Municipal Electric Energy Cooperative. Customers pay less than do customers of large, private utility companies, according to George E. Leary, 3rd Taxing District general manager.

"We operate with less overhead. We don't have million-dollar salaries. Our stockholders are our customers, so we're not paying dividends to somebody in another location," Leary said.

A Common Council panel recently received a feasibility study on creating a city-operated public power authority in Norwalk.

"It's not feasible at this time, mostly (because of) the expense," said Councilwoman Kelly L. Straniti, panel chairwoman. "We need the poles and the lines. We would have to take that by eminent domain."

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