

LETTER TO THE EDITOR

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Power plant owners overpaid for electricity

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I read with great interest the opinion and article published Dec. 3 concerning the electricity rate increases for UI customers to begin on Jan. 1. The rate increase is a result of deregulation, which forced UI to sell off its power plants. The beneficiaries of the increase are the power plant owners and wholesale power marketers who are

overpaid for the electric power they provide.

ISO-New England, the electric grid operator, has designed electricity markets that work poorly for Connecticut consumers, and the Federal Energy Regulatory Commission has approved these markets. The result is now clear — the markets that were supposed to bring us lower prices have instead brought on an electricity price crisis.

The Office of Consumer Counsel has advocated in favor of reversing deregulation by urging that UI and Connecticut Light & Power be authorized to own some power plants again. Only in this way, we believe, can greater state control over electricity prices be regained and the spiraling increases be slowed or reversed.

Moreover, it is notable that several sites in Connecticut have siting approval for a large power plant, yet they remain empty.

Rather than wait around for a power plant shortage to develop, Connecticut can authorize CL&P and UI to build plants that will alleviate the shortage at reasonable prices controlled by the state and in the public's best interest.

The Office of Consumer Counsel will continue to advocate for the most cost-effective mechanism to lower consumers' energy bills — electricity conservation — in an effort to reduce the necessity of building more generation plants or transmission facilities. State government, private industry and consumers need a full-court press on energy efficiency efforts, beginning now.

The deregulated electric system has failed to achieve its central goal: lower electricity prices. It is vital that we all recognize that electricity is not a discretionary commodity, but is rather an essential service that underlies all other economic activity in the state and ensures the health, safety, and comfort of all citizens. The price for electricity service must be reasonable if we are going to turn around Connecticut's grim economic outlook and alleviate the burdensome cost of living we face.

Editor's note: Mary J. Healey is state consumer counsel, an independent state advocate for consumer interests in utility matters.