

Legislative History for Connecticut Act

HB 5691	SA 76-68	1976
Regulated activities	97-98, 101-103	5
House	1251-1258, 1953-1956	12
Senate	2294	1
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(Interim hrg on natl gas p. 1-75 of Reg. Act. volume)		

Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate
and House of Representatives Proceedings

JOINT
STANDING
COMMITTEE
HEARINGS

REGULATED
ACTIVITIES

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REGULATED ACTIVITIES

NOVEMBER 18, 1975

10:00 A.M.

SENATOR AMENTA: What about atomic power?

BRUCE WEBSTER: Well as far as - we have no direct line responsibility in this matter.

SENATOR AMENTA: Except encouragement.

BRUCE WEBSTER: Right, except as advocates.

SENATOR AMENTA: How do you feel about encouragement? On atomic power.

BRUCE WEBSTER: We do encourage the use of atomic power.

REPRESENTATIVE STOBBER: Does New England have tighter restrictions on oil quality than the rest of the U.S.?

BRUCE WEBSTER: Oil quality for use in homes or oil quality for use --

REPRESENTATIVE STOBBER: Electric generation.

BRUCE WEBSTER: I believe that we do. I don't know all of the conditions throughout the country. My general understanding is yes as far as, let's say, sulphur content - there may be higher quality required because of environmental regulations. I believe that is the case sir.

REPRESENTATIVE STOBBER: Could this be a part of the higher cost then?

BRUCE WEBSTER: I think it very well might be. I would just be hazarding a guess but I think that is a very logical explanation for that. Perhaps Mr. Wood can make some comments to that particular experience, this specific point.

REPRESENTATIVE RITTER: Mr. Wood, do you want to respond to that question?

KENNETH WOOD: I think sir you are probably talking about the difference in the cost of low sulphur versus high sulphur oil. We have a statewide standard of .5% sulphur as you know and the current market difference is about 70 cents a barrel. That is the latest price that I have seen. If you translated this into electric power and let's say changed our standard to 2.0 - just take a figure - certainly there would be some saving but as far as the average consumer would go it might save him a dollar or two a year. That is what we are really talking about, the hard dollars to the consumer.

SENATOR AMENTA: How about the whole industry that generates? We have heard figures of \$80 million which is a lot more meaningful than a dollar per customer. One customer in manufacturing may use a heck of a lot more fuel or a lot more energy than thousands of customers. When you make

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these statements just make sure you make them correctly so they are not misinterpreted.

KENNETH WOOD: That is right. I was just talking about the electrical side of it. I think it all depends on the size of the customer. If a customer, an industrial customer let's say, is using an excess of 100,000 barrels of oil a year; obviously at 70¢ it is going to add up to a big amount of money.

SENATOR AMENTA: Let me ask you - what is the difference because they have to use lower sulphur content fuel for the whole industry in the State on generating electricity - do you have that figure? In dollars.

KENNETH WOOD: Well I can give you the total overall use of residual oil and we can multiply it out but I think we are probably talking about somewhere in the neighborhood of \$3 million. I would have to figure it out but I can do that.

SENATOR AMENTA: The industry tells us it is \$80 million.

KENNETH WOOD: I will have to do a little quick mathematics here to figure it out.

REPRESENTATIVE RITTER: Mr. Webster, we want to take advantage of your presence here today.

BRUCE WEBSTER: I am at your disposal.

REPRESENTATIVE RITTER: We appreciate it. Okay. Perhaps first then we can ask - excuse me.

SENATOR AMENTA: I would like to ask a couple of questions. As far as pricing of fuel, does your energy group know what proportion of oil are we getting at different price levels. In other words, the controlled oil, the decontrolled oil, the new oil - I mean, how can we determine when this fuel comes in to our area whether somebody isn't just arbitrarily charging our consumers the highest price per barrel. I mean what do you do to help determine whether New England is getting the break that it deserves on the different mixes of prices?

BRUCE WEBSTER: Well the best that we can do is to trace all of the supply back to its source. Now we have in different regions where refiners are located, refinery audit teams so that if we have let us say - for example, Chevron, let us say we have a Chevron distributor somewhere in Eastern Connecticut and that distributor is charging a certain price. How do we know that is the proper price to be charged to Chevron customers? Well we followed it back up the chain and then the refinery audit team at Chevron headquarters either _____ if that is where all

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BRUCE WEBSTER: On No. 2 fuel.

SENATOR AMENTA: There was concern that it might go up 3 to 6 cents a gallon more.

BRUCE WEBSTER: Well it could possibly go up because of increased product costs because the OPEC countries have raised that price. It could go up if there is any increase in price allowed for domestic. There is a - it really depends on the market and how much the marketers want to take as well.

SENATOR AMENTA: What does your agency have to do with determining whether it goes up or not? Anything?

BRUCE WEBSTER: Beyond putting certain restrictions on them - no, beyond the restrictions that are now here we can't really control how far they go up but there are certain restrictions to put ceilings on it. There are certain provisions which for the more technical aspects of the regulations, if somebody doesn't take their product costs that pass through in a particular month, they can later check it out to a price, a certain percentage of it. So if the market is weak and they feel they can't get their maximum price, they can't recover all their increased product costs. If the market is strong and the demand is high, they can throw it on then and get it but it depends on competition. But again as far as what we do prospectively, all these mechanisms are in the regulation as far as limiting great jumps and putting a ceiling on these products.

SENATOR AMENTA: Does your agency monitor costs at all?

BRUCE WEBSTER: Yes, we do.

SENATOR AMENTA: Do you encourage - when it comes to cost - do you encourage bringing out information that might help keep the costs down because of some technical aspect of what is being done. I mean, is there any way that your agency can monitor that?

BRUCE WEBSTER: Well we do monitor costs of course through our compliance and enforcement effort and the market really should be operating by itself. There are certain regulations limiting the prices, limiting the cost increases and the kind of cost increases that can be taken and our job is to insure that nobody goes beyond that so in terms of doing anything else as far as new regulatory provisions, I don't think there is anything anticipated in the near future but all those systems are in place - ceilings preventing great jumps and monitoring of the system so we have compliance enforcement.

SENATOR AMENTA: What do you do to the utilities? How do you determine whether the utilities are No. 1, buying at the

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lowest possible cost; or 2, whether they are charging the rates based on their fuel at the lowest possible costs. Are you doing anything? Do you monitor the utilities and cost of fuel?

BRUCE WEBSTER: There are special utility audit teams that are looking into utility suppliers, the prices paid by utilities for their fuel and it is not a question of the lowest possible price being paid by utilities because of the program tying utilities into base period suppliers, residual fuel oil base figures 1973 incidentally. It is a question of tying them into the base period supply they can purchase elsewhere at a lower price, only if another supplier has what we call surplus. That part of the regulation essentially means that a supplier has to satisfy the needs of his customers and if he has a product beyond that he can certify that that surplus and then sell it elsewhere, and this is only available on a month to month basis. This product is available and it is cheaper for the utility concerned to pick it up. So we can not force people to buy - force utilities to buy at the lowest cost product. In terms of proper pass-through in so-called fuel adjustment clauses, this is usually a function of the state regulatory bodies and not ours at all. We are looking at the sales to the utilities, that they are proper, that those prices are proper. As far as pass-throughs, that is really entirely the responsibility - in Massachusetts, I don't know about Connecticut. I presume that as well.

SENATOR AMENTA: Do you have any indications as to where price might go for fuel to the utilities or do they use a different type fuel? Do you have any indications as to what might happen to the price structure to them? in the near future?

BRUCE WEBSTER: I do not know, what is going to happen to the price of residual fuel. Residual fuel I think we import about 90% of what we use but I do not know but I can get you an answer. As far as our prediction, perhaps Ken has an answer as well.

SENATOR AMENTA: Can you just tell us in your opinion the immediate supply of fuel in both areas?

BRUCE WEBSTER: No. 2 fuel - to the best of my knowledge, there is no supply shortage anticipated.

SENATOR AMENTA: In New England we have all the fuel that we are going to need.

BRUCE WEBSTER: To the best of my knowledge, we have all the fuel that we are going to need.

SENATOR AMENTA: How about over the next five years or three years, do you have any knowledge at all? You may not.

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April 29, 1976 J.G.T. 124

THE CHAIR:

Will you remark?

SENATOR LIEBERMAN:

Mr. President, this, again, is one of a series of measures that's come out of the Legislative Management Committee to reduce some of our operating expenses. If there's no objection, I'd move it to the Consent Calendar.

THE CHAIR:

No objection. So ordered.

THE CLERK:

Calendar 714, Files 312 and 462, Favorable Report of the Joint Standing Committee on Regulated Activities. Substitute for House Bill 5691. AN ACT ESTABLISHING A COMMISSION TO STUDY THE FEASIBILITY OF A SOUTH CENTRAL CONNECTICUT REGIONAL WATER DISTRICT. (As amended by House Amendment Schedule "A").

SENATOR AMENTA:

Mr. President.

THE CHAIR:

Senator Amenta.

SENATOR AMENTA:

I'd like to move for acceptance of the Committee's Favorable Report and adoption of the bill.

THE CHAIR:

Will you remark?

SENATOR AMENTA:

Mr. President, the title is self-explanatory. If there's no objection, I'd like to have it placed on the Consent Calendar.

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GEN. ASSEMBLY

HOUSE

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THE CLERK:

Page 4, Calendar No. 384, substitute for H.B. No. 5822, An Act Concerning the Eligibility of Volunteer Firemen and Volunteer Ambulance Personnel for Repair or Replacement of Eyeglasses, Contact Lenses, Hearing Aids and Artificial Teeth Under Workmen's Compensation, File No. 293.

MR. COATSWORTH (32nd):

Mr. Speaker, I move you, sir, that Calendar No. 384, H.B. No. 5822, File No. 293 be recommitted to the committee on Labor and I would like to comment on that motion.

THE SPEAKER:

You have the motion, the gentleman from the 32nd.

MR. COATSWORTH (32nd):

Mr. Speaker, the reason we're asking that this be recommitted is that no one else eligible for workmen's compensation may claim these items, eyeglasses and so forth, without proving a compensible injury. The purpose of the bill before us would say that volunteer firemen and volunteer ambulance personnel would be able to claim these items without proving an injury associated with the loss of the items. Since no other group of people in the state have such a right, there is some question on the constitutionality of the entire bill and for that reason, the feeling would be that we should study it further. And I move you, sir, that it be recommitted to the Committee on Labor.

THE SPEAKER:

Is there objection? Hearing none, it is so ordered.

THE CLERK:

Calendar No. 388, substitute for H.B. No. 5691, An Act Authorizing

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the City of New Haven to Purchase or Condemn the New Haven Water Company and Operate a Regional Water System, File No. 312, Committee on Regulated Activities.

MR. GEJDENSON (48th):

Mr. Speaker, I move for the acceptance of the House Committee's favorable report and passage of the bill.

THE SPEAKER:

Question is on acceptance and passage. Will you remark sir?

MR. GEJDENSON (48th):

Yes, Mr. Speaker, I would like to yield to the lady from the 86th for an amendment.

MRS. MC CLUSKEY (86th):

Mr. Speaker, the Clerk has an amendment, I'd like to have the amendment read.

THE SPEAKER:

The Clerk please call and read. Would the lady indicate the LCO number.

MRS. MC CLUSKEY (86th):

Yes, it's LCO No. 3104.

THE SPEAKER:

Would the Clerk please call LCO 3104, House Amendment Schedule "A". The Clerk please call and read.

THE CLERK:

House Amendment Schedule "A", Rep. McCluskey of the 86th.

THE SPEAKER:

Does the lady seek leave to summarize?

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MRS. MC CLUSKEY (86th):

It's quite a short amendment and many people are not familiar with it. I would like to have it read, if I could.

THE SPEAKER:

Will the Clerk please read.

THE CLERK:

Strike out everything after the enacting clause and substitute the following in lieu thereof:

"Section 1. There is established a commission to study the feasibility of a South Central Connecticut Regional Water District to consist of the following members: One person from each of the municipalities to which water is supplied by or in which land is owned by The New Haven Water Company, to be appointed by the mayor or first selectman of each such municipality. The commission shall elect a chairman from among its members and shall adopt such rules of procedure as are necessary to carry out its functions. Members of the commission shall adopt such rules of procedure as are necessary to carry out its functions. Members of the commission shall serve without compensation.

Sec. 2. Said commission shall study the economic and social costs and benefits of public versus private ownership of the property and franchises of The New Haven Water Company, with emphasis upon such issues as federal, state and local taxes, present and future land use and the financing of future improvements; evaluate the feasibility of public acquisition and efficient operation of The New Haven Water Company's property and franchises; and, if indicated by such study and evaluation, prepare legislation to effect the public acquisition and

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efficient operation of The New Haven Water Company's property and franchises and recommend terms and conditions for such acquisition, or prepare such other legislation and recommendations as the commission may deem appropriate.

Sec. 3. Said commission shall report to the general assembly on or before January 5, 1977, with specific findings, and, if so indicated, shall recommend draft legislation and make recommendations based on its study.

Sec. 4. Said commission may apply for, receive and expend funds and in-kind services from public and private sources to carry out its duties under this act, but in no event shall any of its expenses be charged to the state."

MRS. MC CLUSKEY (86th):

Mr. Speaker, this amendment is self-explanatory. However, the purpose of the amendment is somewhat different from the purpose of the original bill and requires some clarification.

Under an 1902 contract with the investor-owned New Haven Water Company, the City of New Haven has an option to purchase the water utility. This option matures on February 1, 1977. The proposed bill was introduced in order to clarify and simplify such purchase. However, the bill met with strong opposition from the New Haven Water Company and from the New Haven area town officials. On March 31st, the South Central Regional Council of Elected Officials voted to oppose this bill and to seek instead the creation of a feasibility study commission to see if regional public ownership would be socially and economically beneficial. New Haven Mayor Frank Logue attended the meeting and expressed his interest

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in participating in the study.

The land holdings of the New Haven Water Company encompass seventeen towns and constitute 9.1% of the total land area in the towns. In North Branford, my community, the company owns 5,723 acres which is 33.4% of the town. The New Haven Water Company estimates as much as 60% of this land may no longer be needed to protect the quality of the water and could be sold for other uses in the future. This bill is urgently needed to provide an opportunity for reaching a rational solution to the complex problems facing all of the parties involved, the taxpayers, the rate payers, the utility stockholders and the people who deserve assurance of an adequate supply of pure drinking water.

I urge your favorable consideration and passage of this amendment.

THE SPEAKER:

And the lady moves its adoption?

MRS. MC CLUSKEY (86th):

I move for adoption.

THE SPEAKER:

Will you remark further on adoption of House "A"? If not, the question is on its adoption.

MR. RITTER (6th):

Mr. Speaker, I would like to support this amendment. This is the result of a great deal of discussion over a period of several years. It immediately follows a meeting which the joint committee on regulated activities had at the request of Rep. McCluskey in North Branford just a week ago. This amendment is a reflection of the pulling together of many

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towns and the core city in New Haven and I hope that we will all support this amendment.

THE SPEAKER:

Will you remark further on the amendment?

MRS. HAMMERMAN (114th):

Mr. Speaker, I too urge adoption of this amendment. I support two of the surrounding area towns of New Haven and know that they are both very much in favor of this and I think it would be very healthy and a fine thing for the area.

THE SPEAKER:

For further remarks, the gentleman from the 90th, Rep. Varis.

MR. VARIS (90th):

Mr. Speaker, a question to the proponent of the amendment, please.

THE SPEAKER:

Please frame your question, sir.

MR. VARIS (90th):

The proponent told us that the Regional Council of Elected Officials of South Central Connecticut unanimously adopted a resolution for a study commission and the letter indicates, the letter dated April 1, 1976 to Sen. Paul Amenta, from Robert A. Johnson, Mayor of the City of West Haven, indicates that twelve of the fifteen communities represented were at that meeting. Could the proponent tell us the three mayors or elected officials who were absent?

THE SPEAKER:

Does the lady care to respond?

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MRS. MC CLUSKEY (86th):

The letter says that there were fifteen communities represented by the elected officials and twelve were present. I do not have a roll call of membership attendance with me.

MR. VARIS (90th):

Specifically, was the mayor of Prospect there?

MRS. MC CLUSKEY (86th):

Would the gentleman care to tell me his name?

MR. VARIS (90th):

Yes, Mayor George Sabo.

MRS. MC CLUSKEY (86th):

No, I do not know if he was there.

MR. VARIS (90th):

Another town whose percentage of land in the subject area is 22.8% is Bethany. Can you tell me if the first selectman, Gordon Carrington or his representative was at the meeting?

MRS. MC CLUSKEY (86th):

I believe Mr. Carrington was at the meeting. If he was not at the meeting, it was the executive committee of the regional council of elected officials that prepared this--a draft for this amendment and Mr. Carrington is a member of the executive committee.

MR. VARIS (90th):

Well, further then, can you tell me if this council saw the final draft of your amendment?

MRS. MC CLUSKEY (86th):

The attorney working with the council saw a final draft of the amendment.

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MR. VARIS (90th):

Can you tell me who the attorney is.

MRS. MC CLUSKEY (86th):

The attorney is Cogan, Holt and Wechsler of New Haven.

MR. VARIS (90th):

Thank you. No further question.

THE SPEAKER:

Will you remark further on the amendment? If not, the ques- (record
tion is on its-- 6)

MR. DE MENNATO (87th):

Mr. Speaker, I rise to support this amendment. I am in the area that is affected and I have a pretty good concensus of opinion from attending a public hearing in that area of the majority of the elected officials in this particular area, that they want this study, that they favor the regional concept and that they would, almost to a man, support this entirely.

And I would ask that when the vote be taken, it be taken by roll call.

THE SPEAKER:

Request for a roll call vote. All those in favor of the vote being taken by roll call, indicate by saying aye. In the opinion of the Chair, an insufficient number are supportive of a motion for a roll call and a roll call will not be ordered.

Will you remark further on the amendment? If not, the ques-
tion is on its adoption. All those in favor will indicate by saying aye.
Opposed? The amendment is ADOPTED and ruled substantive.

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THE GUEST SPEAKER:

The bill as amended is passed.

THE CLERK:

Page 12 of your Calendar DISAGREEING ACTION

Calendar No. 215. House Bill No. 5284 AN ACT CONCERNING VOTING IN ADJACENT VOTING DISTRICTS. (as amended by House Amendment Schedule "A" and Senate Amendment Schedule "A")

Files No. 124 and 322 Favorable report of the Committee on Elections.

THE GUEST SPEAKER:

Gentlemen of the 146th.

REP. ELMER W. LOWDEN (146th)

Mr. Speaker, after a consultation with the sponsor of this bill and in view of the fact that the Senate Amendment completely destroyed the intent of the bill and since there is no procedure by which we can now further amend it on the floor of the House, I would move that this bill be recommitted to the Committee on Elections.

THE GUEST SPEAKER:

Any objections: Hearing none, so ordered.

THE CLERK:

Calendar No. 388 MATTER RETURNED FROM THE LEGISLATIVE COM-
MISSIONERS. Substitute for House Bill No. 5691. An ACT ESTAB-
LISHING A COMMISSION TO STUDY THE FEASIBILITY OF A SOUTH CENTRAL
CONNECTICUT REGIONAL WATER DISTRICT. (as amended by House Amend-
ment Schedule "A". Files No. 312 and 462

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Tuesday, April 13, 1976

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THE GUEST SPEAKER:

Gentlemen of the 48th.

REP. SAMUEL GEJDENSON (48th):

I move for acceptance and passage of the bill as amended by House Amendment "A".

THE GUEST SPEAKER:

Question on acceptance and passage as previously amended by House Amendment "A". Will you remark?

THE GUEST SPEAKER:

Gentlemen of the 48th.

REP. SAMUEL GEJDENSON (48th):

Mr. Speaker, I would yield to Mrs. McCluskey for further comment.

THE GUEST SPEAKER:

The lady of the 38th will yield to the gentlemen of the 48th.

REP. DOROTHY S. McCLUSKEY (86th)

Mr. Speaker, I move for passage of this bill.

THE GUEST SPEAKER:

Any remarks further on the bill?

REP. DOROTHY S. McCLUSKEY(86th):

Yes, Mr. Speaker. This bill is quite different from the original bill that we had voted on that was presented. The previous bill was an act authorizing the City of New Haven to purchase or condemn the New Haven Water Co. and operate a regional water system. This bill would provide for a study committee for a

regional water authority. Under a 1902 contract with a privately owned New Haven water company, the City of New Haven has an option to purchase the water utility. This option matures on February 1, 1977. On March 31, the South Central Regional Council of Elected Officials voted to oppose the bill that would have allowed the City of New Haven to condemn the New Haven Water Co. and instead to ask for this bill that would create a feasibility study commission to see if regional public ownership would be socially and economically beneficial. New Haven Mayor Frank attended the meeting and expressed his interest in participating in such a study. The land holdings of the New Haven Water Co. encompasses 17 towns and constitute only 1% of the total land area in the town. In my community of North Branford the Company owns 5,723 acres of land which constitutes 33.4% of the town. New Haven Water Co estimates as much as 60% of this land may no longer be needed to protect the water quality and could be sold for other uses in the future. This bill is urgently needed to provide an opportunity for reaching a rational solution to the complex problems facing all the parties involved....The taxpayers, the rate payers, the utility stock holders and the people who deserve the assurance of an adequate supply of pure drinking water. I urge your support in passage of this bill.

THE GUEST SPEAKER:

Any further remarks? The gentlemen of the 6th.

REP. GEORGE J. RITTER (6th):

Mr. Speaker, I rise to support this bill. I believe this is

a bill the assembly will later look back on and say this is one of the most important measures that we took action on. I hope we will be unanimous on this.

THE GUEST SPEAKER:

Any remarks further on the bill? Will the members be seated and the staff come to the well. The machine will be open. The machine is still open. If all the members have voted the machine will be closed. The clerk will take the tally.

THE GUEST SPEAKER:

Gentlemen of the 107th.

REP. JAMES M. MANNION (107th)

Mr. Speaker in the affirmative please.

THE GUEST SPEAKER:

Gentlemen of the 107th in the affirmative.

THE CLERK:

Total Number Voting.....	142
Necessary for Passage.....	72
Those Voting Yea.....	135
Those voting Nay.....	7
Those absent and not Voting.....	9

THE GUEST SPEAKER:

Bill as amended is passed.

THE GUEST SPEAKER:

Any points of personal privilege at this time?