

Legislative History for Connecticut Act

HB 7174	PA 202 <del>202</del>	1987
House 1447, 4177-4189		(14)
Senate 682, 2156-2158, 2192-2193		(6)
Energy and Public Utilities 526-527, 530-531, 542-543, 563-566		(10)
		(30)

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

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CONNECTICUT  
GEN. ASSEMBLY  
HOUSE

PROCEEDINGS  
1987

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1103-1453

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3 1447

House of Representatives

Tuesday, March 10, 1987

House Bill 6942, AN ACT CONCERNING THE CIVIL LIABILITY OF DIRECTORS AND OFFICERS OF MUNICIPAL ELECTRIC ENERGY COOPERATIVES. The Committee feels the Bill should pass, but first be referred to the Committee on Judiciary.

SPEAKER STOLBERG:

So ordered.

CLERK:

Change of Reference, Favorable Report of the Joint Standing Committee on Energy and Public Utilities on House Bill No. 7174, AN ACT REQUIRING WATER PUBLIC SERVICE COMPANIES TO SUBMIT WATER CONSERVATION PLANS. The Committee feels the Bill should pass, but first be referred to the Committee on the Environment.

SPEAKER STOLBERG:

So ordered.

CLERK:

Clerk has business from the Senate. Change of Reference, Favorable Report of the Joint Standing Committee on the Environment on Substitute for Senate Bill No. 855, AN ACT CONCERNING DOG WARDEN FEES. The Committee feels the Bill should pass, but first be referred to the Committee on Finance.

SPEAKER STOLBERG:

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CONNECTICUT  
GEN. ASSEMBLY  
HOUSE

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4109-4513

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House of Representatives

Wednesday, April 29, 1987

JUDICIARY. H. B. No. 7566, AN ACT CONCERNING  
SUCCESSION TAX RETURNS.

JUDICIARY. H. B. No. 7587, AN ACT CONCERNING  
THE DEFINITION OF SEXUAL CONTACT.

JUDICIARY. Substitute for H. B. No. 7600, AN  
ACT CONCERNING SURVIVAL OF ACTIONS.

JUDICIARY. Substitute for H. B. No. 7626, AN  
ACT CONCERNING BUILDING CODE PERMITS.

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CLERK:

No further business, Mr. Speaker, except for  
today's Calendar.

SPEAKER STOLBERG:

Thank you very much. Are there announcements or  
points of personal privilege? Seeing none, let us move  
to the Call of the Calendar.

CLERK:

Good afternoon, State of Connecticut, House of  
Representatives, Calendar Wednesday, April 29, 1987.

Please turn to Page 5. We'll begin with Calendar  
333, House Bill 71, correction 333, Calendar 336,  
House Bill 7174, AN ACT REQUIRING WATER PUBLIC SERVICE  
COMPANIES TO SUBMIT WATER CONSERVATION PLANS. Favorable  
Report of the Committee on Environment.

REP. JOYCE: (25th)

Mr. Speaker.

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House of Representatives

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REP. JOYCE: (25th)

Thank you, Mr. Speaker.

SPEAKER STOLBERG:

Welcome back.

REP. JOYCE: (25th)

Thank you, sir. I move acceptance of the Joint Committee's Favorable Report and passage of the bill.

SPEAKER STOLBERG:

Will you remark?

REP. JOYCE: (25th)

Mr. Speaker, the bill would require a water company to file a plan with the DPUC promoting water conservation by the customers when they file for a rate change.

In Connecticut, we have only three natural resources, water being one of them. We are seeing from time to time, very serious shortages of water. This bill would be an effective start in getting customers to start taking care of and conserving water.

I urge passage of the bill, Mr. Speaker.

SPEAKER STOLBERG:

Will you remark further on the bill? If not,

pt

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House of Representatives

Wednesday, April 29, 1987

will members please be seated. Rep. Tiffany.

REP. TIFFANY: (36th)

Thank you, Mr. Speaker. The Clerk has an amendment, LCO 7045. Would the Clerk please call and read.

SPEAKER STOLBERG:

The Clerk has an amendment, LCO 7045 designated House Amendment Schedule "A". Will the Clerk please call.

CLERK:

LCO 7045.

SPEAKER STOLBERG:

And read.

CLERK:

LCO 7045, designated House "A" offered by Rep. Tiffany.

In line 28, after "COMPANY" insert the following:  
", EXCEPT A WATER COMPANY THAT PROVIDES WATER TO ITS CUSTOMERS LESS THAN SIX CONSECUTIVE MONTHS IN A CALENDAR YEAR,"

REP. TIFFANY: (36th)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Tiffany.

pt

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REP. TIFFANY: (36th)

Mr. Speaker, I move adoption of the amendment.

SPEAKER STOLBERG:

Will you remark, sir?

REP. TIFFANY: (36th)

Thank you, Mr. Speaker. Mr. Speaker, I don't disagree with everything that the Chairman of the Energy Committee said. However, unlike the power companies that are a millenium of small water companies, especially a number of them in my area that are very seasonal nature and provide waters at the beach associations, most if not all these companies are very small, have no staff to speak of, and as a matter of fact the two that I'm most familiar with are owned by, one is owned by a plumber and the other is owned by a carpenter and it's just illogical, I think, to ask them to attempt to meet and adopt a conservation measure on a part-time basis with no staff.

The only thing this is going to do is eventually lead to increased rates for the customers and that's one of the biggest problems in our area is the ever increasing water rates and I urge adoption of the amendment, Mr. Speaker.

pt

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House of Representatives

Wednesday, April 29, 1987

is adopted and ruled technical. Will you remark further on the bill? If not, will members please be seated.

Rep. Meyer.

REP. MEYER: (135th)

Mr. Speaker, through you, a question to the proponent of the bill, please.

SPEAKER STOLBERG:

Please frame your question, madam.

REP. MEYER: (135th)

Thank you. Rep. Joyce, I have been concerned in recent months with certain water bills that have been received.

The company establishes a minimum amount of money that must be paid. For this you receive a certain amount of water each quarter. Now with very small families, very frequently this minimum amount of water is not even used up so that you are paying for water you have never received. Now it would seem to me that this would encourage people then to use more water so they are using up to the minimum that they are paying for.

Will there be some monitoring to see that when the plans for water conservation are brought in that problems such as this would be addressed.

pt

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House of Representatives

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SPEAKER STOLBERG:

Rep. Joyce.

REP. JOYCE: (25th)

Thank you, Mr. Speaker. I would just say to you, Representatives, that is Section 2 of the bill on line, approximately 115, the DPUC is required not only to receive this plan but also to have it as one of the criteria for their regulations.

I think it's very possible that they would look into this type of thing. The water conservation along with other things.

REP. MEYER: (135th)

Through you, Mr. Speaker.

SPEAKER STOLBERG:

Rep. Meyer.

REP. MEYER: (135th)

And this was not done, but certainly we could bring it to the attention of the DPUC.

REP. JOYCE: (25th)

We certainly could, through you, Mr. Speaker.

REP. MEYER: (135th)

Thank you very much.

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SPEAKER STOLBERG:

Will you remark further? Rep. Emmons.

REP. EMMONS: (101st)

Yes. Mr. Speaker, through you, a question to the proponent of the bill.

SPEAKER STOLBERG:

Rep. Emmons.

REP. EMMONS: (101st)

Yes, Mr. Speaker, through you, a question to the proponent of the bill.

SPEAKER STOLBERG:

Please frame your question.

REP. EMMONS: (101st)

Rep. Joyce, I notice in the fiscal note it appears, it says that there will be negligible effect on rates. When that is being termed that way, are you anticipating that the rates would not have to be increased in order to comply within the conservation plans?

SPEAKER STOLBERG:

Rep. Joyce.

REP. JOYCE: (25th)

Through you, Mr. Speaker, not necessarily. I

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think in the long term that the rates would actually, if there is conservation I think this would be an effective savings for the ratepayer, in the long term.

In the short term, I don't think we could guarantee that there wouldn't be some type of rate adjustment. It certainly is possible, though I can't imagine it being a great amount, but it is possible, through you, Mr. Speaker.

SPEAKER STOLBERG:

Rep. Emmons.

REP. EMMONS: (101st)

Another question.

SPEAKER STOLBERG:

Please frame your next questio. Just a moment, though, please.

Ladies and gentlemen, today we could be done at 6:00 this afternoon, or this Session could go until 6:00 tomorrow afternoon. I think your attention to the speakers, succinctness of debate, will determine one alternative or the other. Rep. Emmons, you have the floor.

REP. EMMONS: (101st)

Thank you, Mr. Speaker. Rep. Joyce, when the conservation plan is filed with the DPUC, is there

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anything in here that would give the DPUC the power to require that the conservation plan be followed?

SPEAKER STOLBERG:

Rep. Joyce.

REP. JOYCE: (25th)

Through you, Mr. Speaker, yes there is in Section 2, Rep. Emmons, on line well, all of Section 2 you will notice in line 15, water conservation has been added as one of the considerations for regulations. So yes, the answer to that would be yes, through you, Mr. Speaker.

SPEAKER STOLBERG:

Rep. Emmons.

REP. EMMONS: (101st)

Through you, Mr. Speaker, I guess the last question would be in such a water conservation plan, would the DPUC have the ability to regulate the amount of water that was used say, in residential house that has two people versus a business or a car wash or a laundry. Are we going to get into any type of thing without any further legislative oversight. the DPUC can begin to ration water.

SPEAKER STOLBERG:

Rep. Joyce.

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REP. JOYCE: (25th)

Through you, Mr. Speaker, no, that's certainly not the intent of the bill, through you, Mr. Speaker.

REP. EMMONS: (101st)

Well then, for legislative intent, that's not the intent. Is it possible just because of the broad powers that are given to DPUC, through you, Mr. Speaker.

SPEAKER STOLBERG:

Rep. Joyce.

REP. JOYCE: (25th)

Thank you, Mr. Speaker. Through you, we give the DPUC broad powers in many, many areas. I mean, if you look for the chapters, the titles on rate regulation, they have very broad powers. They use their powers very responsibly. It's certainly not the legislative intent that they do anything like water rationing or anything like that.

SPEAKER STOLBERG:

Rep. Emmons.

REP. EMMONS: (101st)

Thank you, Mr. Speaker, I guess my only comment on the bill and I suppose where you need water conservation by customers has occurred where there are some water companies that have been very lucky to have very

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low rates. I will just give you an instance in the Guilford-Madison part of the Connecticut Water Company. Our rates went from \$33 a quarter to almost \$99 a quarter and there was a tremendous amount of conservation that ensured right thereafter. And what ended up is that that part of the water company now doesn't have enough customers for all the water that they have been able to generate through their plants, which is what reason made the water go up.

So I'm just hoping that this will be used responsibly, and not end up being a situation where there will be rationing on some not terribly scientific method and then I will hear from all those same customers who are now paying three times as much for their water as they had before and now told they can't use it.

SPEAKER STOLBERG:

Will you remark further on the amendment? If not, all those in favor of the amendment please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER STOLBERG:

All those, I'm sorry, we've adopted the amendment. Will you remark further on the bill as

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House of Representatives

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amended? If not, the machine will be opened.

CLERK:

The House of Representatives is now voting by roll. Members to the Chamber. The House of Representatives is voting by roll call. Members please return to the Chamber.

The House of Representatives is taking its first vote of the day. Members to the Chamber please.

SPEAKER STOLBERG:

Have all the members voted? Have all the members voted and is your vote properly recorded? If all the members have voted, the machine will be locked and the Clerk will take a tally.

The Clerk please announce the tally.

CLERK:

House Bill 7174 as amended by House "A".

Total number voting 146

Necessary for passage 74

Those voting yea 142

Those voting nay 4

Those absent and not voting 5

SPEAKER STOLBERG:

The bill as amended is passed.

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CONNECTICUT  
GEN. ASSEMBLY  
SENATE

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377-763

Regular Session  
March 11, 1987

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Referred to: Public Safety.

BUSINESS FROM THE HOUSE

HOUSE BILLS FAVORABLY REPORTED WITH A CHANGE OF REFERENCE - to be referred to committee indicated.

Energy and Public Utilities.

House Bill No. 5747. An Act Concerning Receivership of Water Companies for Failure to Provide Adequate Service.

Referred to: Judiciary.

House Bill No. 6942. An Act Concerning the Civil Liability of Directors and Officers of Municipal Electric Energy Cooperatives.

Referred to: Judiciary.

House Bill No. 7174. An Act Requiring Water Public Service Companies to Submit Water Conservation Plans.

Referred to: Environment.

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THE FOLLOWING IS SENATE AGENDA NO. 2, DATED WEDNESDAY, MARCH 11, 1987:

COMMUNICATION FROM THE GOVERNOR:

EXECUTIVE AND LEGISLATIVE NOMINATIONS - to be referred to Joint Committee on Executive and Legislative Nominations.

To the Honorable General Assembly:

WITHDRAWAL of nomination of Thomas Barrett of Essex, dated February 26, 1987 to be a member of the Gaming Policy Board, Pursuant to Section 2-44 of the Connecticut General Statutes.

SENATE BILLS FAVORABLY REPORTED - to be tabled for the calendar and

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CONNECTICUT  
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WEDNESDAY  
May 6, 1987

162 2156  
lc

you vote Yea, contrary mind is Nay.

The machine is open. Please record your vote.

Senator DiBella, Senator Meotti, Senator Daniels,  
Senator Avallone, Senator Rinaldi, Senator Hale,  
Senator Robertson, Senator Morano.

Has everyone voted?

Machine is closed. Clerk, please tally the vote.

Result of the vote:

7 Yea

27 Nay

The motion to reject House B is defeated.

THE CHAIR:

Senator Casey.

SENATOR CASEY:

Mr. President, we have discussed the bill. If there  
are no objections I ask that it be placed on the consent  
calendar.

THE CHAIR:

No objections. So ordered.

THE CLERK:

Calendar 473, File 411 and 683, House Bill 7174,  
AN ACT REQUIRING WATER PUBLIC SERVICE COMPANIES TO SUBMIT  
WATER CONSERVATION PLANS AS AMENDED BY HOUSE AMENDMENT

WEDNESDAY  
May 6, 1987

163 2157  
lc

SCHEDULE A. FAVORABLE REPORT OF THE COMMITTEE ON ENVIRONMENT.

THE CHAIR:

Senator Hale.

SENATOR HALE:

Thank you Mr. President. Mr. President I move acceptance of the Committee's Joint favorable report on passage of the bill as amended by the House.

THE CHAIR:

Further remark.

SENATOR HALE:

Briefly Mr. President, this bill simply requires a water company whenever it files plans for a rate change to also file plans for promoting water conservation by their customers. It would require the DPFC and the utilities it regulates to consider water conservation when carrying out their responsibilities. The house amendment simply exempts those water companies who provide water only on a seasonal basis.

THE CHAIR:

Would you remark further.

SENATOR HALE:

Mr. President, if there is no objection, I would ask it to be placed on the consent calendar.

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THE CHAIR:

Without objection. So ordered.

THE CLERK:

Calendar Page 12, Calendar 481, File 515 and 700.

SUBSTITUTE FOR HOUSE BILL 5601, AN ACT REQUIRING A STUDY  
OF REGIONAL BULKY WASTE DISPOSAL FACILITIES AS AMENDED BY  
HOUSE AMENDMENT SCHEDULES A & B, FAVORABLE REPORT OF THE  
COMMITTEE ON THE ENVIRONMENT.

THE CHAIR:

Senator Meotti.

SENATOR MEOTTI:

Mr. President, I move adoption of the Joint  
Committee's favorable report and passage of the bill in  
accordance with the House.

THE CHAIR:

The clerk has the amendment.

THE CLERK:

LCO-6143, designated Senate Amendment Schedule A,  
offered by Senator Meotti of the 4rth District.

THE CHAIR:

Senator Meotti.

SENATOR MEOTTI:

Mr. President, I move adoption of the amendment.

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the Chamber.

THE CHAIR:

Please give your attention to the Clerk who will call the items that have been referred to the Second Consent Calendar, Clerk.

CLERK:

Beginning on page 4, Calendar 422, Substitute for Senate Bill 1107, Calendar 424, Substitute for Senate Bill 293, Calendar page 5, Calendar 426, Senate Bill 1211, Calendar page 6, Calendar 434, Senate Bill 645. Calendar 436, Senate Bill 1195, Calendar page 7, Calendar 439, Senate Bill 1126, Calendar 442, Substitute for House Bill 5521, Calendar 443, House Bill 7183. Calendar page 8, Calendar 445, Substitute for House Bill 7360, Calendar page 11, Calendar 472, Substitute for House Bill 5555. Calendar 473, House Bill 7174, Calendar page 12, Calendar 481, Substitute for House Bill 5601, and that concludes the Second Consent Calendar.

THE CHAIR:

Are there any corrections or omissions? The machine is open, please record your vote. Senator Mustone. Has everyone voted? The machine is closed. The Clerk please tally the vote.

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The result of the vote:

34 YEA

0 NAY

The Second Consent Calendar is adopted.

Senator Smith, you wish to be recognized?

SENATOR SMITH:

Thank you, Mr. President, if I might just a moment, a personal privilege for the purpose of introducing the infamous member of the Smith family, Reginald James Junior who has come to the Senate today to observe his father's colleagues in action and will we please give him our usual round of welcome? (clapping)

THE CHAIR:

The Clerk may proceed.

THE CLERK:

Calendar, page 13, Calendar 484, File 399 and 701, Substitute for House Bill 5053, AN ACT CONCERNING TERMINATION OF INSURANCE COVERAGE FOR CERTAIN DEPENDENT CHILDREN AS AMENDED BY HOUSE AMENDMENTS SCHEDULES "A" AND "B", Favorable Report of the Committee on INSURANCE AND REAL ESTATE.

THE CHAIR:

Senator Powers.

SENATOR POWERS:

JOINT  
STANDING  
COMMITTEE  
HEARINGS

ENERGY  
AND  
PUBLIC  
UTILITIES  
PART 2  
379-747  
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ENERGY AND PUBLIC UTILITIES February 24, 1987

REP. NORTON: (continued)

municipality that's indifferent and is forced to participate or--

MR. GUERNIER: I was merely pointing that provision out to the Committee and I think it's up to the Committee if it wants--you can argue that it would be good public policy (inaudible) a municipality should be a party to such things, but you are basically giving them that direction and I was merely pointing out that fact.

REP. NORTON: I have just one last question here. In line 62 it talks about municipality or state intent to acquire this land by eminent domain, there's data as to why the municipality has the right of first refusal, I guess we're talking about property that water companies are talking about selling or leasing. I am just curious as to why eminent domain would come into it when we're talking about--maybe it's out of place, because it's not capitalized words; it's not what we're talking about but why would eminent domain come into play in a piece of property that a company is in the action of selling or putting on the market?

MR. GUERNIER: I think that's a good question. I'm not sure why it's appropriate to refer to eminent domain since the acquisition of such land might and might not be by that process and probably, I suspect, would not be if it's a negotiated type of arrangement so I'm not sufficiently conversant with statutes on this type of acquisition to know what--Perhaps there might be a good reason but it looks as if it might be an unnecessary reference.

REP. NORTON: Thank you.

REP. JOYCE: Anyone else? Thank you Kevin.

MR. GUERNIER: I have one more Bill if I could very quickly testify on. House Bill 7174 involving (inaudible) companies submission of water conservation plans and the Department generally supports the concept and approach of this proposal but I would also like to point out two

MR. GUERNIER: (continued)

additional provisions relative to this concept. One is the fact that the Environment Committee has raised a Bill, House Bill 6047 which establishes or which would establish a task force to study various approaches to water conservation, including ones like these and the Department has supported the establishment of such a task force on the part of the Environment Committee Bill so while we certainly would not be opposed to also taking initiatives in the water conservation area, we did want to point out to the Committee that the other Bill is pending.

Secondly, I'd like to point out that there is an existing statute on the books, 25-32(d) which provides for water supply plans on the part of water companies over a specified size and these plans then go to the DPUC, Department of Health Services for approval so a Bill of the nature of the one before your Committee this morning might--the Committee might want to look at the possibility of integrating that with the existing statute and I believe there is someone here from the Health Department to testify at more length on the existing statute in process.

REP. JOYCE: Thank you Kevin, that's very elucidating. Any questions? Thank you Kevin. The next speaker will be Marilyn Hesse from OPM, Energy Section.

MS. MARILYN HESSE: Good morning. I'm Marilyn Hesse. I'm speaking for Bradford Shea, the Undersecretary for Energy who is out of town today. The Bill that I would like to speak on is number 933, An Act Concerning the Allocation of Oil Settlement Funds.

The main purpose of this Bill is to streamline the planning process for these oil settlement funds we've been receiving. When the statute was originally written, we received the funds infrequently. However, the most recent agreement requires DOE to send payments to the state at a minimum of every 90 days or even more frequently. Rather than submitting plans every other month or so and taking up our time and your time with a number of plans for

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MS. HESSE: Right.

REP. JOYCE: Anyone else? (inaudible) Do you think it needs clarification? The \$100,000, what happens to it?

MS. HESSE: I think such funds refers to any funds resulting from any settlement and if such funds are less than \$100,000--they meant to say if the total of such funds.

REP. JOYCE: Also on line 43.5, what happens--this is about the (inaudible) what happens if it is rejected? Does OPM have to come back with a new plan or does that need clarification too, do you think?

MS. HESSE: It could be legally.

REP. ARTHUR: We have done that, I think. We proposed changes that are rotated--

MS. HESSE: In the past, we thought that you could only modify it and not out right reject it, however, at one point in here it does say reject. That would allow us to come up with a new plan, a whole new plan.

REP. JOYCE: Anything in there that needs clarification now? Okay. Any other questions? Thank you very much. The next speaker is Beth Weinstein with the Department of Health Services.

MS. BETH WEINSTEIN: Senator Hale, Representative Joyce, members of the Committee, my name is Beth Weinstein and I'm Director of Preventable Diseases for the Department of Health Services.

For those of you who are new to the Committee, the Department of Health Services also regulates the drinking water utilities in the state. That's why we're here before the Committee today.

I want to testify first on House Bill 7174, An Act Requiring Water Public Service Companies to Submit Water Conservation Plans. We support the intent of the Bill and as Kevin Guernier pointed out, Section 25-32(b) of the statutes does require water utilities serving more

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MS. WEINSTEIN: (continued)

than 1,000 people to submit a water supply plan to the Department of Health Services and that plan must be approved by the Department with the concurrence of DEP and DPUC.

That plan includes a water conservation plan so that if a utility has an approved plan on file with the Department of Health Services, that has been approved also by DPUC and DEP, we feel that an additional plan with a rate filing may not be necessary so we'd urge you to take that into account in drafting further versions of this Bill

On Bill 7172, An Act Concerning the Sale of Public Service Company Property, we agree that the time span should be lengthened for purchase of water company property. Just to clarify something that came up earlier, both the DPUC and the Department of Health Services have to give approval for the sale of water company land. DPUC, that approval only is for privately owned water companies, not for municipal companies so there are two separate approval procedures and our approval procedure also allows the water companies to buy (inaudible) land as well as the state or municipality and we do feel that water companies should have preference in buying water company land as long as they're going to use that for a source of water supply.

The purpose of putting that into the law was so that water supplies would not be lost for drinking water purposes but that if one utility no longer had need for that for supply, and another utility could use it, it would go to that utility first. Any questions?

REP. JOYCE: Liz.

REP. BROWN: Representative Brown. The plan that the utility company--the water utility company submits to you, is there some way that you measure whether or not that they have actually conserved water? I mean is there some way that you measure this? Because I think the intent of this legislation is more, a much broader concept

- REP. JOYCE: Jim, I wonder if we can indulge upon you that we're well past the hour and I know we have a lot of questions for you and you have a lot of Bills here and we have a lot of questions for you. I wonder--there's only three public speakers and I wonder if we can indulge upon you--
- MR. MEEHAN: If they're really public speakers, I'd be more than happy to give way to them. The rest of the employees I certainly would object a little bit to, but if it's public, then it's public. I'd be happy to give way.
- REP. JOYCE: But please stay for--yes. Thank you very much, Jim. We'll go to the public section now. And the first speaker will be Margaret Girard with SNETCO.
- MS. MARGARET GIRARD: I certainly have no objection to waiting until--(inaudible)
- REP. JOYCE: I think Mr. Meehan is going to be here for maybe an hour or so because he has a lot of Bills and we have a lot of questions for him so--
- MS. GIRARD: Well, I'm here listening to him, so it doesn't matter.
- REP. JOYCE: I guess we can take Mr. Schrieber though if he would like to go. Let's go to the other people first, Margaret, if you'd like and we'll go to Phil Ashton, is he here? Okay, Justin Sullivan from Bridgeport Hydraulic.
- MR. JUSTIN SULLIVAN: Hi. My name is Justin Sullivan and I'm a registered lobbyist for the Bridge Hydraulic Company. I'm here this morning to speak on Raised Committee Bill 7172 and 7174.

Raised Committee Bill 7174 concerns the sale of public service company property. This is of special concern to Bridgeport Hydraulic Company. We have a great deal of land in the state of Connecticut which is not necessary or useful in serving our customers. Presently in order to sell that property we operate under Section 16-50(c) and 16-43 of the General Statutes; 16-50(c) requires that

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MR. SULLIVAN: (continued)

we provide notice to the DPUC to the Department of Environmental Protection and the Commissioner of Health Services and to the municipality in which the land is located.

The DPUC is required, under that statute, (inaudible) within 150 days of receiving that notice. However, under 16-43, they can't approve this sale until the Commissioner of Health Services has approved it. I guess my point here is that there are a great deal of notices that go out and the statute can't be looked at in a vacuum and we really don't want another layer, a two tier notice process, imposed on these statutes and on us in particular.

The other Bill that's up this morning, 7172 which concerns conservation plans for water companies to submit, in 1985 the state adopted the Connecticut Plan after a great deal of work by members of the industry, agency heads, consumers and municipal officials and I think the Connecticut Plan adequately deals with conservation and the provision of water in the state of Connecticut. I don't know that this Bill is needed or useful.

REP. JOYCE: Thank you Mr. Sullivan. Any questions?

SEN. HALE: Justin, can we go back to 7172, the notice, what exactly is Bridgeport Hydraulic's problem?

MR. SULLIVAN: We think that the present statutes handle it. We don't really have a problem and we don't mind talking to municipalities about the land we plan to sell. We don't want to keep that a secret from them. It really isn't a problem other than we really don't think this is the place to impose another notice requirement.

SEN. HALE: But what's the present notice now?

MR. SULLIVAN: The present notice is required notice at one time to the DPUC, to the DEP, to the Commissioner of Health Services and to municipalities.

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REP. JOYCE: (continued)

Would you mention again what Bill you're talking about?

MR. MEEHAN: I'm sorry. That was on Raised Committee Bill 931.

The next Bill I'd like to speak about unless you have more questions on the subscriber line waiver--we're available for other questions outside the Committee, if you'd like to ask them, would be Raised Committee Bill 7174 which is An Act Requiring Water Public Service Companies to Submit Water Conservation Plans.

Just briefly, this Bill had its changes in the Bridgeport Hydraulic rate proceeding where Bridgeport Hydraulic Company had sent circulars to their customers indicating that their bills may go up if in fact customers conserve water and it came at a time when Fairfield County was -- parts of Fairfield County were undergoing drought conditions. For example, Greenwich was in a drought condition because of high demand and low yields on their reservoirs and had been warning the public to conserve water and it spilled over into the entire Fairfield County area. They were concerned about adequate water supplies.

And the Bridgeport Hydraulic Company which at the time did have adequate supplies were concerned that customers would start conserving the water and therefore reducing the revenues to the company and they sent out circulars saying look folks, if you do that, if you cut back your use, we're going to need more revenues to pay for our fixed costs and therefore your rates are going to go up,

That in fact is probably what is going to happen in the short term if there's conservation; if there is a loss of revenue. However, we saw the same thing happening in the electric utility industry back in the 1960's and 70's where the companies actively opposed conservation efforts and in order to increase the revenues of the company and we saw what disastrous results that lead to.

Our concern with water conservation techniques and the reason why I think it's important to have the Bill, even

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MR. MEEHAN: (continued)

though we recognize that there is a Bill and there is a supply planning process that winds its way through the Department of Health Services, it would require the Department of Public Utility Control to focus in on this issue of water conservation. I think that there's still residue among the commissioners of the DPUC that water conservation may have that effect of losing revenues and therefore increasing additional rate increases and especially with a system that has adequate supply, why bother telling people to conserve when you have adequate supplies. There's no question that Bridgeport Hydraulic Company has adequate supply.

So what we're looking for is the long run. Bridgeport Hydraulic Company is under a very extensive construction program at the current time to meet current demand. Under the Connecticut Water Plan, they're probably going to be called on to serve a good bit of Fairfield County in the future. And if their customers don't control their consumption patterns, there will not be that supply to meet the additional demand that's going to be asked--that they're going to be asked to support through the Connecticut Water Plan and through, in fact, the transmission pipeline which is now being constructed and nearing completion in phase one.

Our purpose is you have to start controlling consumption patterns now in order to guarantee that there be adequate supplies to serve a very growing populous in that state, that part of the state and that goes for the other water companies throughout the state of Connecticut. We have to begin to realize that water is a scarce resource and there's no better time to look at those issues on an ongoing basis than in a rate case because in a rate case you go through everything, the revenues that the companies are going to be allowed to the management practices of the company and how they deal with their customers.

We've got to make sure that we're sending the right signals to their customers as to what they should do. I should indicate that in the Bridgeport Hydraulic decision that the Commission ordered them not to inform the customers that they should not conserve in the future. In

MR. MEEHAN: (continued)

fact we had asked that they set up a conservation fund to begin conservation education. It did not go as far as we had requested but nonetheless, it did put a stop to that practice. We felt that that was appropriate.

So it's a good Bill. I think that the comments of the Department of Health Service and DPUC that there should be some interrelationship with the existing statute is an appropriate remark and we certainly would welcome that to be added to the statute. At the same time, we want to have an opportunity in an ongoing rate proceeding to look at these issues and try to force people to conserve water as a means to proceed forth.

Just one other thing, there's something that goes beyond conserving water supply. It goes into the idea of lease cost planning for utility service and it's a developing idea and a developing concept for water utilities which is that you try to limit the need for additional facilities and one way to do that is by limiting demand. It doesn't fit all companies, we recognize that. But it should be a concept that should begin to be explored when you talk about the \$80 million investment that are required to improve the filtration process with the Hemlock and Houston Reservoirs and the Bridgeport Hydraulic service rate. It's an expensive process and those filtration systems are presently being required primarily on surface water but it looks like in the future, the ground water contamination and the problems we're having, that those types of filtration programs will have to be required for well water and below ground sources as well.

So, when you talk today about developing new well fields there's going to be more than just digging a well and dropping the pumping station down there. You might have to talk about filtration and everything else that goes with that and will become an expensive proposition. So it's a good Bill. We certainly would support it.

I'll just give you an example of one company, the Connecticut Water Company is now into a rate proceeding.

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MR. MEEHAN: (continued)

and we asked them what do you tell your people about conservation and they do have circulars and portions of the circulars are not circulated among the customers. They're available for their consumption. There are some customer inserts that do go out but for the most part it's not an aggressive program on that. In fact, they spend now I think \$200 a year and this is a company with \$26 million in revenues a year. \$200 a year for conservation effort and that just, frankly, I think puts things in perspective; that we have to move in this area to preserve our future water supply.

The last Bill is Raised Committee Bill 7172, An Act Concerning the Sale of Public Service Property. This grows out of another case problem which was the Ansonia-Derby Water Company application where there's a certain property in the town of Oxford that was approved for sale by the Department of Utility Control. The town was noticed and prior to the 90 days running, the town had begun to express interest in purchasing the property.

The developer, who was purchasing the property, pointed out to the town that they had to require a town meeting before they could purchase the property. In fact, there was a vigorous effort opposing the purchase of the property by the municipality to require a referendum on the issue. It did go to referendum. The referendum was completed two days after the 90 day period ran and there is a question, a legal question, which will be resolved in the courts as to whether they exercised their choice in good time, so if you're asking for instances where in fact there has been a frustration of the town's intent to buy property, there's no better example than the Oxford property. They just didn't have enough time to get it going and I think that's not just the fault of the town. I think the town worked very hard to try to get the thing accomplished within the 90 days. The procedures in these small towns are very difficult.

If you're bonding, counsel opinions have to be prepared for town meetings and 90 days is unrealistic. Six months makes a lot of sense. Now, one concern raised by some of