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Senate Pages: 1473-1478

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House Pages: 2082-2112

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Senator Looney.

SENATOR LOONEY:

Yes. Thank you, Mr. President. Mr. President, I move all items on Senate Agenda Number 4, dated Wednesday, April 22, 2009, to be acted upon as indicated and that the agenda be incorporated by reference in the Senate Journal and the Senate Transcript.

THE CHAIR:

Without objection, so ordered.

SENATOR LOONEY:

Yes. Thank you, Mr. President. Would move for suspension to take up under Business From the House, Emergency Certified Bill, House Bill 6717, which appears -- which is the single item appearing on Senate Agenda Number 4.

THE CHAIR:

The motion is for suspension of the rules, is there objection?

Seeing none, please proceed, Senator Looney.

SENATOR LOONEY:

Yes. Mr. President, the Clerk might call that item.

THE CHAIR:

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Mr. Clerk.

THE CLERK:

Calling from Senate Agenda Number 4, Emergency Certified Bill 6717, An Act Concerning the Capitol Area District Heating and Cooling System. The bill is accompanied by emergency certification, signed by Donald E. Williams, Jr., President Pro Tempore of the Senate, and Christopher G. Donovan, Speaker of the House of Representatives.

THE CHAIR:

Senator Slossberg.

SENATOR SLOSSBERG:

Thank you, Mr. President. I move the emergency certified bill in concurrence with the House.

THE CHAIR:

The question before the chamber is passage of the emergency certified bill.

Will you remark further?

SENATOR SLOSSBERG:

Thank you, Mr. President. This legislation before us permits us Commissioner of Public Works, on behalf of the State of Connecticut, to purchase from the TEN Companies -- if I may, Mr. President, just a moment.

THE CHAIR:

Senator Slossberg, will you excuse us, can I recognize Senator Fonfara?

SENATOR SLOSSBERG:

Yes, I would yield.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

Thank you, Mr. President. Mr. President, I will be recusing myself from this bill under Senate Rule Number 15.

THE CHAIR:

Journal will so note.

Senator Slossberg, you have the floor, ma'am.

SENATOR SLOSSBERG:

Thank you, Mr. President. The legislation before us permits the Commissioner of Public Works, on behalf of the State of Connecticut, to purchase from the TEN Companies the district heating and cooling known as the "Capitol Area System," that provides heating and cooling services to state facilities within the capitol district.

Mr. President, at this time the Clerk has in his possession LCO Number 5942. I ask that it be called

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and I seek leave to summarize.

THE CHAIR:

Clerk please call -- Mr. Clerk.

Senator Slossberg, the LCO that you referenced is a House amendment which will be incorporated in the bill as it comes to the Senate. Your motion should have been -- I think it was, acceptance of the emergency certified bill in concurrence with the House.

SENATOR SLOSSBERG:

Thank you, Mr. President. If don't need to explain the amendment, as long as we're in concurrence, then the amendment is in concurrence and basically this keeps our heating and cooling system on in the capitol district. And I would ask the chamber's support.

THE CHAIR:

Thank you, Senator.

Will you remark further? Will you remark further on the emergency certified bill before us?

If not, Senator Slossberg.

SENATOR SLOSSBERG:

If there is no objection -- no, there is nothing further, Mr. President.

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THE CHAIR:

There is, Senator Fonfara has recused himself so we do have to have a roll call on this matter.

Will you remark further? Will you remark further?

If not, will the Clerk please announce the pendency of a roll call vote.

Members please be seated, the machine will be open.

THE CLERK:

A roll call has been ordered in the Senate, will all Senators please return to the chamber. Immediate roll call has been ordered in the Senate, will all Senators please return to the chamber.

THE CHAIR:

Have all members voted? Have all members voted? Please check the board to see if your vote is properly cast. If all members have voted, the machine will be locked.

Will the Clerk please take a tally and announce the tally?

THE CLERK:

Motion is on passage of Emergency Certified Bill 6717 as amended by House Amendment Schedule A. Total

number voting, 34; those voting yea, 34; those voting nay, 0; those absent/not voting, 2.

THE CHAIR:

The bill is passed.

SENATOR LOONEY:

Mr. President.

THE CHAIR:

Senator Looney.

SENATOR LOONEY:

Thank you, Mr. President. I would for immediate transmittal to the Governor, the just enacted Emergency Certified House Bill 6717.

THE CHAIR:

The question is immediate transmittal, is there objection? Is there objection?

Seeing none, so ordered.

SENATOR LOONEY:

Thank you, Mr. President. Mr. President, the Clerk might now proceed to the call of the Consent Calendar.

THE CHAIR:

Mr. Clerk, please call the Consent Calendar.

THE CLERK:

The first Consent Calendar begins with Senate

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bill?

THE CLERK:

House Bill 6717, AN ACT CONCERNING THE CAPITAL
AREA DISTRICT HEATING AND COOLING SYSTEM, LCO Number
5812, introduced by Representative Donovan and Senator
Williams.

DEPUTY SPEAKER GODFREY:

The distinguished Chairman of the Government
Administration and Elections Committee, Representative
Spallone.

REP. SPALLONE (36th):

Thank you. Good evening, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Good evening, sir.

REP. SPALLONE (36th):

Mr. Speaker, I move for passage of the emergency
certified bill.

DEPUTY SPEAKER GODFREY:

Question is on passage of the emergency certified
bill. Would you explain the bill please, sir?

REP. SPALLONE (36th):

Thank you, Mr. Speaker. Mr. Speaker, this
emergency certified bill actually is a bill that came
from, originally, in its original form was introduced

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through the Government Administration and Elections Committee, and it did have a public hearing. It was Senate Bill 1153. So if the members wish to review the JF report or any other supporting documents of the original bill, they can find it online, so this bill did have a normal history in that regard.

Mr. Speaker, the purpose of this bill is to conform to a purchase agreement that was part of a settlement between the State of Connecticut and a company called the TEN Company, which owns and operates a heating and cooling system that services a number of buildings in this general area of the city of Hartford. There are several state buildings, including the Legislative Office Building, and the buildings across the street housing the Secretary of State and others, and buildings further down Capital Avenue. They're served with heating and cooling through this loop. And it also can -- the loop also concerns certain private buildings, as well in this area of the city.

And there was litigation that took place between the State and the company that owned -- owns the loop. And as a part of the settlement of those issues, there was a purchase and sale agreement entered into

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November 4, 2008, and it requires the approval of the General Assembly to take place.

So what we'd be doing through this bill is authorizing the State to purchase this heating and cooling system for \$10.6 million, and authorizing the issuance of bonds to pay for transactional costs. I'm going to take, briefly the -- because this is somewhat unusual, I'm going to take the chamber through the main points of the bill and then I will be calling an amendment which clarifies some technical issues in the legislation.

So the bill gives, as I mentioned, the State the authority to purchase this heating and cooling system and the Commissioner of the Department of Public Works the authority to take the necessary action to carry out the purchase agreement. It provides that any waiver of sovereign immunity is limited to areas covered by contracts entered into with third parties, and describes the specific actions that the commissioner may take in operating the system, including making contracts, providing energy products to the users, occupying rights-of-way, installing mains and pipes and so forth. It also has provisions regarding real property, including the granting and

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acquisition of easements, leases and so forth. It sets up a revolving account for the operations of the heating and cooling system by the Department of Public Works. It authorizes the commissioner to collect bills and set rates based on certain specified criteria in the bill. The rates would all be paid, collected and paid into the general fund.

It also specifically provides that nothing in this bill would prevent the state from selling the system to a third-party if it's in the best interests of the state to do so. The bill amends special acts of 1961 and 1997, which specifically had chartered the company, and given it the right to run the system. The process predecessor to TEN was the Hartford Steam Company to run the system. And it also specifically sets out the cost and authorizes the purchase of bonds, as I mentioned, for the purchase of the system and for the payment of transactional costs.

With that general description of the bill, Mr. Speaker, I would note that the Clerk is in possession of an amendment. The amendment is LCO Number 5942. I would ask that the Clerk call and I be given leave of the chamber to summarize.

DEPUTY SPEAKER GODFREY:

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Clerk is in possession of LCO Number 5942, which will be designated House Amendment Schedule A. Will the Clerk please call?

The Clerk is not in possession of 5942. The House will stand at ease.

Chamber at ease.

DEPUTY SPEAKER GODFREY:

And the Clerk has found LCO Number 5942, which as I stated, which will be designated House Amendment Schedule A. will the Clerk kindly call.

THE CLERK:

LCO Number 5942, House A, offered by
Representative Donovan and Senator Williams.

DEPUTY SPEAKER GODFREY:

The gentleman has asked leave of the chamber to summarize. Is there objection? Hearing none, please proceed, Representative Spallone.

REP. SPALLONE (36th):

Thank you, Mr. Speaker. This amendment makes technical changes regarding the language, but it also inserts appropriate language that is generally used by the Legislature concerning the issuance and sale of

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bonds of the State to pay for certain things. That language is in conformance with our normal custom, and I move adoption.

DEPUTY SPEAKER GODFREY:

Question is on adoption. Will you remark on House Amendment Schedule A? If not, let me try your minds. All those in favor, signify by saying, aye.

REPRESENTATIVES:

Aye.

SPEAKER DONOVAN:

Opposed, nay.

The ayes have it. The amendment is adopted.

Will you remark further on the bill as amended? Will you remark further on the bill as amended? If not, staff and guests, please come to the well of the House, members take your -- oh, I'm sorry.

I'm -- all of the sudden, a whole bunch of lights lit up.

Representative Miller.

REP. MILLER (122nd):

Good evening, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Good evening, sir.

REP. MILLER (122nd):

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Thank you. Recognize me -- I know, difficult at this and.

DEPUTY SPEAKER GODFREY:

No, I always look at the little screen here.

REP. MILLER (122nd):

I know. I'm only kidding. Through you, Mr. Speaker, I have a few questions.

DEPUTY SPEAKER GODFREY:

Please proceed, sir.

REP. MILLER (122nd):

There was a companion bill all -- a Senate Bill 1153. And we have a House Bill 6717, and I'm concerned about the bonding.

1153 says we're bonding for \$16.6 million at 5 percent over a 20 year period, and we'll have a cost to the State of Connecticut of \$25.3 million over the period of time that we're going to finance it. House Bill 6717, 11.6 is what we're financing for 20 years, 5 percent. And that's at a cost of \$17.7 million. Which one would be correct?

DEPUTY SPEAKER GODFREY:

Representatives Spallone.

REP. SPALLONE (36th):

Thank you, Mr. Speaker. Mr. Speaker, sorry about

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the delay. Through you to Representative Miller, this bill provides for bonding of 11.6 million. The original bill contained an additional 5 million for future expenditures in connection with this facility, but that is not in the bill that is before us as amended.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (145th):

Thank you. A few more questions through you.

DEPUTY SPEAKER GODFREY:

Sure.

REP. MILLER (122nd):

This, the age of the plant, from what I understand, it was first initiated in 1961. Has that equipment been changed since? I know they did move the plant for the convention hall some years ago. And I'm just wondering if the equipment was changed at that particular time or not. Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representatives Spallone.

REP. SPALLONE (36th):

Through you, Mr. Speaker, to Representative

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Miller I believe that the system has been over the years, that repairs have been made and so forth, but I am not familiar with the age of the actual mains, valves and so forth that comprise the system. It started in 1961 and the steam company operated two loops, one downtown and one here in the capital area. And this bill only concerns the one here in the capital area.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

Thank you, and through you, Mr. Speaker. And how many employees would be putting on our payroll that currently are running these operations or that operation? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representatives Spallone.

REP. SPALLONE (36th):

Through you, to Representative Miller, the bill provides the Department of Public Works would have one full-time employee involved with this. The State operates similar systems at college campuses that are owned and operated by the State and so forth. So the representation from the Department of Public Works is

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that the system can be properly operated by state employees and it would not entail a massive hiring of more employees to operate it.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

Through you, Mr. Speaker, more questions.

There's two loops in the Hartford area. Are we buying both loops or one loop?

DEPUTY SPEAKER GODFREY:

Representative Spallone.

REP. SPALLONE (36th):

Through you, Mr. Speaker to Representative Miller, we're buying one.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

Thank you, and we're going to establish a account for -- a revolving account, I guess, for to cover accounts receivable. Most of the buildings that we're buying in our loop will be strictly state buildings or will be there -- will there be any private companies that we might assume? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

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Representatives Spallone.

REP. SPALLONE (36th):

Through you, Mr. Speaker, to Representative Miller, I just -- going to take a moment to actually edify the chamber as to the actual buildings in question.

Well, Mr. Speaker, I will do my best. I know I had a list in my material. But essentially, there are state buildings including the state armory, the Legislative Office Building, the Supreme Court and library, the public health laboratory, the DEP, the appellate court, Secretary of the State, 1820 Trinity Street, and other buildings along Capitol Avenue. And then there are private buildings including the Underwood Towers, the United Way, the Connecticut Education Association building across the street, the Bushnell Memorial Hall.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

Thank you, and through you, Mr. Speaker, if we're going to assume the building and the collection costs from these companies, should any of these companies default, how are we going to handle that? Through

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you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Spallone.

REP. SPALLONE (36th):

Through you, Mr. Speaker, to Representative Miller, I believe that it would be handled in the manner of any other collections that the State is obligated to make, requiring people to pay their bills.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

Thank you, and through you, Mr. Speaker, I'm just concerned that we're not talking about a 200-gallon delivery anymore. We're talking about the Bushnell and some of these other buildings. We're talking about substantial amounts of money. So I'm just concerned how we will be dealing with those, should there be a default, who's going to pay? The taxpayers of the state of Connecticut now are going to assume the costs that they can't collect from these organizations.

REP. SPALLONE (36th):

Through you, Mr. Speaker to Representative

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Miller, I believe that there would, in that situation, likely be negotiations entered into regarding payment plan, like any other collection situation. The State would be operating as a very limited utility or -- I really don't want to use the utility, but rather a supplier of heating and cooling to a very limited universe of buildings. We would be operating as a business for those purposes and when the default occurs, there would probably be a letter. There would probably be negotiations. The Attorney General would probably become involved at some point and legal action could be required, but there is no automatic provision in this bill that would require the State to pay for the heating and cooling of a private entity.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

Yeah. Thank you and through you, Mr. Speaker, if I recall correctly, the company that owned it, the gas company that owned it, I think it was Connecticut Natural -- I'm not sure which gas company, but there was a outstanding debt, according to the Attorney General, of over \$10 million owed for overcharging. Was that better resolved through the courts, or how do

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we stand with that?

DEPUTY SPEAKER GODFREY:

Representative Spallone.

REP. SPALLONE (36th):

Thank you, Mr. Speaker. Mr. Speaker, through you to Representative Miller, this bill and the approval of this purchase agreement is part and parcel of the settlement of complex litigation between the state of Connecticut and the TEN's Corporation, which is the owner currently of the system. And as part of entering into the purchase and sale agreement, in fact dating -- there was a memorandum of understanding which predated the purchase and sale agreement. And as part of this whole entire settlement process, the State withdrew actions that it had brought and this purchase is part of that settlement agreement and ends the litigation, both sides agree to release each other from the litigation and the issues surrounding that.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

Thank you, Mr. Speaker. Another question, the fact that we did get in trouble with the overbilling or there was an -- a question about some of the costs,

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are we locked into a long-term gas contract with the seller of the Corporation?

DEPUTY SPEAKER GODFREY:

Representative Spallone.

REP. SPALLONE (36th):

Through you, Mr. Speaker to Representative Miller, I want to make it clear that the only thing that we're purchasing is the heating and cooling system, the pipes and so forth. The energy used to heat and cool the water is purchased from yet another party. And the plant is in the area, but this doesn't concern natural gas or propane, nor any fuel. This only concerns the conduit and the movement of heating and cooling; water for heating and cooling for these buildings.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

So through you, Mr. Speaker, then somebody's going to have to supply the energy source to make the steam and the hot water. How will we -- how will that be addressed? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Spallone.

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REP. SPALLONE (36th):

The -- through you, Mr. Speaker to Representative Miller, the Commissioner of Public works is given the authority in this bill to take whatever actions are necessary to procure energy needed to carry out the functions of the system. And so, she would enter into the appropriate contracts for the supply of energy to accomplish that.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

Thank you and through you, Mr. Speaker, would that be one company supplying the energy source, or would there be several companies? Would there be competition or are we locked into one area? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Spallone.

REP. SPALLONE (36th):

Through you, Mr. Speaker to Representative Miller, it's my understanding that the Commissioner would have discretion to obtain and procure energy and whatever way would best meet the interests of the State for this purpose. Currently the energy is

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supplied by a supplier that is along this loop, but the Commissioner, it's my understanding in reading the bill, would have discretion to seek other methods that might be in the best financial interest of the state.

REP. MILLER (145th):

Thank you, and through you Mr. Speaker --

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

So we're not sure if there's one supplier, two suppliers or three suppliers. If we're just tied into one supplier, because of the configuration of the piping, I don't want to see us locked in without competition. And that's why I'm asking you continue to ask that question. Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Spallone.

REP. SPALLONE (36th):

Through you, Mr. Speaker to Representative Miller, it's my understanding that as the system is built, there is this supplier now, but the bill does not contemplate a eternal relationship or indefinite relationship with that particular entity. And so I believe that the Commissioner would have discretion to

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seek a better deal in the future.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

Thank you, and through you, Mr. Speaker, another question.

DEPUTY SPEAKER GODFREY:

Please proceed.

REP. MILLER (122nd):

The consultant that established the \$200,000 annual savings, would that be a high number, a low number of a medium number? How could we assess that number as to its accuracy? Again, I'm going back to the fact that there was a lot of problems with billing some time ago and I just would like to know how he's coming up with that number. Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Spallone.

REP. SPALLONE (36th):

Through you, Mr. Speaker to Representative Miller, I'm not familiar with the methodology of the consultant.

DEPUTY SPEAKER GODFREY:

Representative Miller.

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REP. MILLER (122nd):

Okay. Thank you, and I asked that question because I'm concerned. If it's a high number and the savings is going -- only going to be a hundred thousand dollars a year, we may be buying a pig in a poke, when you figure that it's going to cost us 7, almost \$18 million to purchase this company over a 20 year period. So I just have some concerns about that particular number and how he got to it.

Through you, Mr. Speaker, another question. We did pass a law establishing TEN as a, I think, a utility, I think, last year, the year before.

DEPUTY SPEAKER GODFREY:

Representative Spallone, I think that was a question.

REP. SPALLONE (36th):

All right. Through you, Mr. Speaker to Representative Miller, last year, as the system faced potential shutdown, at least with respect to the state. The company was regulated for a period of about seven days and then the parties got together and hashed out the memorandum of understanding.

DEPUTY SPEAKER GODFREY:

Representative Miller.

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REP. MILLER (122nd):

So I take it that then, we're not going to treat this -- we won't be treated as a utility. In other words, if there's going to be shutoffs or problems supplying a product because of nonpayment, we -- we're not going to be tied into the way the utilities are tied into certain shutoff times. Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Spallone.

REP. SPALLONE (36th):

Through you, to Representative Miller, Mr. Speaker, there's nothing in the bill which brings the State under regulation of the Department of Public Utility Control.

DEPUTY SPEAKER GODFREY:

Representative.

REP. MILLER (122nd):

Through you, Mr. Speaker. And we're getting down to the last couple of questions. The -- so, through you, Mr. Speaker, because we have other district heating, especially at our universities, I'm not so sure it's as big as the Hartford loop, but in your opinion, do we have personnel who are properly trained

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in maintaining this kind of a setup? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Spallone.

REP. SPALLONE (36th):

Through you, Mr. Speaker to Representative Miller, members of the staff of the Department of Public Works met with myself and cochair of the GAE Committee, Senator Slossberg on multiple occasions. And one of the key questions that we asked both at the public hearing and in private meetings was whether the Department of Public Works could handle this task. And we were assured, as I mentioned, on multiple occasions that they were prepared to do so.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

Through you, Mr. Speaker. Another question. The fact that these lines are 50 years old, and I just kind of remind -- just remind the assembly that five years ago, a line in New York blew up and I guess there was a loss of life and a lot of liability.

Have we assurances that that the -- what we're buying, the lines of supply, the heating and the

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cooling are in good shape and don't need to be replaced and there would be no possible explosion of any of these lines in the streets? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Spallone.

REP. SPALLONE (36th):

Thank you, Mr. Speaker. Through you, Mr. Speaker to Representative Miller, certainly wouldn't guarantee here on the floor of the House of Representatives or anywhere, that no casualties could occur with the system.

I have been informed by staff of the Department of Public Works just here, a few moments ago, that the pipes and mains and question are about 25 years old. So they don't all -- they don't date back to the original charter in 1961. And we certainly live in a time when many of -- a lot of the infrastructure in our big cities dates to a hundred years or more, but this is not such a system.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

Thank you. Thank you, Mr. Speaker. I inquired a

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while back about the visual inspections. From what I was told to the TEN Corporation would go to different manholes to check the piping. And I'm not sure that was the best way to determine a hundred, or 200 feet into the roadbed, if the pipe in those areas were without any defects.

Are we going to continue on with the same type of maintenance, the same type of oversight as to the reliability of those pipes to make sure that they do work, they are able to transport hot water and coolant to the buildings and we would not see anything happening that would cause a major explosion or liability to the State? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Spallone.

REP. SPALLONE (36th):

Through you, Mr. Speaker to Representative Miller, it's my understanding that the Department of Public Works would use all due diligence, as they do with other similar systems at other facilities in the state, to ensure that they are safe and operated safely and would use the best practices in the industry to do so.

DEPUTY SPEAKER GODFREY:

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Representative Miller.

REP. MILLER (122nd):

Thank you. And lastly, should we hire any of their employees -- would be in any way picking up any of their pension costs or picking up contracts that may have been left over from their former employer? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Spallone.

REP. SPALLONE (36th):

Through you, Mr. Speaker to Representative Miller, I believe the answer is no.

DEPUTY SPEAKER GODFREY:

Representative Miller.

REP. MILLER (122nd):

Thank you, Mr. Speaker. I just want to thank Representative Spallone for his answers. I have a few more questions, but I think I got some of the answers I wanted. And again, I thank you for your explanation and I appreciate your giving me the time, Mr. Speaker, so thank you very much.

DEPUTY SPEAKER GODFREY:

Thank you, sir. The distinguished ranking member of the Government Administration and Elections

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Committee, Representative Hetherington.

REP. HETHERINGTON (125th):

Thank you, Mr. Speaker. We considered this at some length in the government -- pardon me, Government Administration and Elections Committee. And I believe it is a, while substantial, a sufficient resolution of the litigation and the challenges we have had with the heating and cooling system.

And while it may not be wholly ideal, I think it is clearly the best outcome we're going to get from this and I think it's been covered accurately from my recollections by Representative Spallone. And I would urge presage. Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, sir. Representative Miner -- and let me clear the aisle in front of you first.

Thank you, sir. You have the floor.

REP. MINER (66th):

Thank you, Mr. Speaker. If I might, a few questions to the proponent --

DEPUTY SPEAKER GODFREY:

Please frame your question, sir.

REP. MINER (66th):

Thank you, Mr. Speaker. I wanted to just, I

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guess, ask a few questions on the rate setting process if I might, through you.

I understand, or at least I think I understand correctly, that the users of this energy source are not limited solely to the state of Connecticut. Is that correct? Through you.

DEPUTY SPEAKER GODFREY:

Representative Spallone.

REP. SPALLONE (36th):

Through you, Mr. Speaker to Representative Miner, yes.

DEPUTY SPEAKER GODFREY:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker. And as such, there is a rate setting process in section 8, which is now part of the bill, which talks about the allocation of costs being the basis of those rates. Is that how other public utilities establish the rates? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Spallone.

REP. SPALLONE (36th):

Through you, Mr. Speaker to Representative Miner,

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in my exposure here to energy legislation, while I'm not familiar with costs of acquisition being part, I do know that the cost of building energy plants are part and parcel of the rate making process and I would imagine that the costs of acquiring such a plant would be a -- would be analogous to that. Through you.

DEPUTY SPEAKER GODFREY:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker and as such, is there a public hearing process? Is there a venue to which all users would be able to go and question the allocation of these expenses? Through you.

DEPUTY SPEAKER GODFREY:

Representative Spallone.

REP. SPALLONE (36th):

Through you, Mr. Speaker to Representative Miner, in that, I do not believe the State is being regulated by the Department of Public Utility Control. I do not believe, and I would stand to be corrected if I make an error here, but I do not believe that there would be a public hearing rate making process in connection with this particular, the process that's laid out in this bill.

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DEPUTY SPEAKER GODFREY:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker. And so in terms of just the process, by adoption of this legislation and the acquisition of this energy system, we would be adopting a different policy for establishing rates by which there would be no appeal process if someone felt they were aggrieved of the energy costs. Through you.

DEPUTY SPEAKER GODFREY:

Representative Spallone.

REP. SPALLONE (36th):

Through you, Mr. Speaker to Representative Miner, the procedure set out here is that the Commissioner of Public Works would submit proposed rate-setting methods and proposed rates to the secretary of OPM for the secretary's approval and that no such rate would be without the secretary's approval, but does not contain the provisions that we would normally have for regulated utilities, at least, certainly not in this language in the amended bill.

DEPUTY SPEAKER GODFREY:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker and I thank the gentleman for his answers. Mr. Speaker, I think I get a sense of where we are. We're kind of between a rock and a hard place. It's either buy it or freeze. Right. But it just seems to be the process of doing that, we haven't quite thought about what we are getting involved in here. And part of what we're getting involved in here is really setting up an entirely different process for determining the price of energy, one that doesn't even include an opportunity for someone who might think they were aggrieved. At least I'm not -- I don't see it here anyway and I think the gentleman actually described it, that there isn't it process for someone other than the State to say, we think we're paying a disproportionate share. We think that the rate is based on things that we shouldn't be putting in there and so on.

In addition to that, I get a little concerned. I mean, I think -- I'm sure there are folks that work for the state of Connecticut and maybe some of us legislators that believe we can do anything. But I'm not so sure the public would be convinced that we've been able to handle what we currently have on our plate, let alone, developing an energy company. So

I'm not sure if there are any other questions that will be asked. I've got mixed emotions about this, money aside, and I think that's another whole issue, but the operation itself, I think, is a bit troubling. Thank you.

DEPUTY SPEAKER GODFREY:

Thank you, sir. Will you remark further on the bill as amended? Will you remark further on the bill as amended? If not, staff and guests, please come to the well-of the House. Members take their seats. The machine will be opened.

THE CLERK:

The House of Representatives is voting by roll call. Members to the chamber. The House is voting by roll call. Members to the chamber.

DEPUTY SPEAKER GODFREY:

Have all the members voted? If so, the machine will be locked. The Clerk will take the tally. And the Clerk will announce the tally.

THE CLERK:

House Bill 6717, as amended by House A.

Total Number Voting 140

Necessary for Passage 71

Those voting Yea 132

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Those voting Nay 8
Those absent and not voting 11

DEPUTY SPEAKER GODFREY:

Bill as amended is passed.

Speaker Donovan in the Chair.

SPEAKER DONOVAN:

Representative Merrill.

REP. MERRILL (54th):

Thank you, Mr. Speaker. I move for the immediate transmittal of the Senate -- to the Senate.

SPEAKER DONOVAN:

Motion is for immediate transmittal. Is there objection? Hearing none, the bill is immediately transmitted.

The House will come back to order.

Representative Merrill.

REP. MERRILL (54th):

Yes, Mr. Speaker. I move for the immediate suspension of our rules to take up item number -- Senate Bill Number 899, and the Clerk is in possession.

SPEAKER DONOVAN: