

**STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC UTILITY CONTROL**

APPLICATION OF THE	:	DOCKET NO. 05-10-03RE04
CONNECTICUT LIGHT AND POWER	:	
COMPANY TO IMPLEMENT TIME-	:	
OF-USE, INTERRUPTIBLE LOAD	:	
RESPONSE, AND SEASONAL RATES -	:	
REVIEW OF METER STUDY,	:	
DEPLOYMENT PLAN AND RATE	:	
PERIOD	:	FEBRUARY 8, 2011

**BRIEF OF GEORGE JEPSEN, ATTORNEY
GENERAL FOR THE STATE OF CONNECTICUT**

George Jepsen, Attorney General for the State of Connecticut (“Attorney General”), hereby submits his brief in the above-captioned proceeding. For the reasons stated herein, the Department of Public Utility Control (“DPUC” or “Department”) should reject the Connecticut Light and Power Company’s (“CL&P” or “Company”) proposed full deployment of Advanced Meter Infrastructure (“AMI”) from 2013-2016. CL&P’s proposal would force the Company’s ratepayers to spend at least \$500 million on new meters that are likely to provide few benefits in return.

Prudence demands that the DPUC adopt a more measured approach to advanced metering than the path proposed by CL&P. The DPUC has already recognized that CL&P’s existing AMR meters meet the requirements of Conn. Gen. Stat. § 16-243w(c), which generally requires metering systems that can support dynamic, time-of-use rates. Indeed, CL&P already offers time-based rates to its customers using the existing AMR meters. Therefore, the Department should not rush headlong into AMI meters as CL&P has proposed, but rather should continue to evaluate emerging meter system technologies as well as other conservation programs and only

approve the deployment of advanced metering systems at such a time and in such a manner that is cost-effective.

Should the Department choose to proceed in any fashion with AMI meters at this time, it should do so in a far more limited fashion than CL&P has proposed. Specifically, the DPUC should approve no more than a “surgical” deployment, which provides AMI meters only to those customers who request them – and are willing to pay for them. In the alternative, the DPUC could allow CL&P to gradually roll-out AMI meters by replacing obsolete AMR meters with AMI technology, perhaps coupled with a user-pays surgical deployment.

If the DPUC approves any sort of deployment of AMI meters in this case, however, it must reject CL&P’s proposed “presumption” of prudence and guaranteed cost recovery. The DPUC should treat any deployment of AMI technology as it should most any other utility plant addition. That is, the Department should require CL&P to install the technology at its own expense and then demonstrate during a full rate proceeding, once the technology is installed, the costs are known and measurable and the meters are used and useful, that its expenditure for this purpose was prudently incurred. Only then should the DPUC consider whether, and to what extent, those costs should be included in rates.

I. BACKGROUND

A. Procedural History

On March 30, 2007, CL&P submitted a metering plan in response to Order Number 7 of the Department’s decision in Docket No. 05-10-03, Application of the Connecticut Light and Power Company To Implement Time of Use, Interruptible of Load Response, and Seasonal Rates, dated December 21, 2006. On July 2, 2007, CL&P filed a revised metering plan as

required by Section 98 of Public Act 07-242, An Act Concerning Electricity and Energy Efficiency, codified at Conn. Gen. Stat. § 16-243w(c).¹ The Company's revised metering proposal included six options for the deployment of AMI meters.² These options ranged from a very limited deployment of the new meter technology on demand at a cost of \$0 to \$10 million to a full deployment of new AMI meters at a cost of \$264 million to \$274 million. DPUC Docket No. 05-10-03RE01, 9.

In a prior phase of this docket, the DPUC properly adopted a cautious approach, approving a 10,000 Meter Study to evaluate the technical capabilities and reliability of the OpenAMI metering system. DPUC Docket No. 05-10-03RE01, Application of the Connecticut Light and Power Company To Implement Time of Use, Interruptible of Load Response, and Seasonal Rates – Review of Metering Plan, dated December 19, 2007, 1 (“Docket No. 05-10-

¹ Conn. Gen. Stat. § 16-243w(c) states that:

(a) On or before July 1, 2007, each electric distribution company shall submit a plan to the Department of Public Utility Control to deploy an advanced metering system. In lieu of submitting a plan pursuant to this section, an electric distribution company may seek a determination by the department that such company's existing metering system meets the requirements of this section. Such metering systems shall support net metering and be capable of tracking hourly consumption to support proactive customer pricing signals through innovative rate design, such as time-of-day or real-time pricing of electric service for all customer classes.

(b) Each plan to implement an advanced metering system developed pursuant to subsection (a) of this section shall outline an implementation schedule whereby meters and any network necessary to support such meters are fully deployed on or before January 1, 2009. On or after January 1, 2009, any customer may obtain a meter on demand.

(c) The cost of the advanced metering system, including, but not limited to, the meters, the network to support the meters, software and vendor costs to obtain the required information from the metering system and administrative, installation, operation maintenance costs, shall be borne by the electric distribution company and shall be recoverable in rates. Any unrecovered cost of the current metering system shall continue to be reflected in rates.

(d) Not later than six months after June 4, 2007, electric distribution companies, competitive electric suppliers and aggregators shall offer time-of-use pricing options to all customer classes. These pricing options shall include, but not be limited to, hourly and real-time pricing options.

² Open advanced electric meters are intended to allow customers to monitor their electric usage on a continuous basis and also facilitate the use of “smart” appliances, which are appliances that can be programmed to run or not run at particular times of the day.

03RE01”). The DPUC also directed CL&P to conduct a rate pilot within that study to determine customer acceptance of and response to time-based rates. Docket No. 05-10-03RE01, 20. The Department made “no commitment” to move forward beyond the 10,000 Meter Study at that time. Docket No. 05-10-03RE01, 17.

On February 25, 2010, CL&P submitted the results of its rate pilot to the Department. It subsequently filed its cost-benefit analysis and its proposed deployment plan for smart meters and dynamic rates. The purpose of the present proceeding is to review the results of the Company’s meter study and determine the appropriate next steps for “smart metering” and dynamic rates for CL&P’s customers.

B. CL&P’s Pilot Program

CL&P conducted its Plan-it Wise Energy Program Pilot (referred to herein as the “Pilot” or “Pilot Report”) from June 1, 2009 through August 31, 2009. The Company tested three time-based rates on 2,437 customers; 1251 residential customers and 1186 small commercial and industrial (“C&I”) customers. EL-5; Transcript (“Tr.”), 2058-2060. Consistent with the DPUC’s direction when it approved the pilot, participation in the study was voluntary and participating customers were allowed to choose their preferred time-based rate. Pilot Report, 2. Participants were paid for their participation. Residential customers received \$100 and C&I customers received \$200. Tr. 2022-2023.

CL&P offered three time-of-use rate options:

-Critical Peak Pricing (CPP) – increased prices up to \$1.60/kWh during peak hours, and provided a discount of up to \$0.05/kWh during off-peak hours;

-Peak Time Rebate (PTR) – retained normal tariff pricing during all hours but provided rebates of up to \$1.60/kWh during the peak hours if customers reduced their energy usage during that time; and

-Time of Use (TOU) – applied a substantially wider price differential for on-peak times, which were from noon to 8:00 p.m.

Pilot Report, 3-4.³

For the purposes of this pilot, “peak hours” were the ten critical peak day events called by CL&P from 2 p.m. to 6 p.m., which amounted to a total of over forty hours during the three month pilot study. Pilot Report, 5. Controlling technologies, such as smart thermostats, switches and new appliances, were used by some pilot participants but came at the customers’ own expense. Those customers that had purchased controlling technologies in their homes showed greater savings. Pilot Report, 4.

C. CL&P’s Proposed Deployment Plan

After the pilot, the Company proposed a full deployment to the Department which called for the installation of AMI meters for all 1.2 million of its customers over a four year period that begins by December 31, 2012. Deployment CBA, 4, 11; EL-38. CL&P argued that full deployment is the only cost-effective scenario because it provides the ability to achieve broad participation by all customers. Deployment CBA, 6. According to the Company’s deployment plan, every customer would receive an AMI meter, but enrollment in a dynamic pricing plan would be voluntary, done on an “opt-in” approach. Deployment CBA, 6; EL-75.

A critical aspect of the Company’s deployment plan is what it described as “conditional” DPUC approval. CL&P asked that the Department, in the present case, guaranty it full, up-front recovery of any and all costs that it may incur associated with its AMI deployment. Tr. 2163. According to the Company’s proposal, the only question for the DPUC that would remain after

³ The current rate is roughly \$.17/kWh. Tr. 2119.

installation was “how” the Company would collect the costs of this project, not “whether” all of those costs should be recovered from customers. Tr. 2164; 1880-1881. CL&P proposed to file a specific cost recovery plan by the end of July, 2012, claiming that the cost recovery proposal would be more appropriately designed once CL&P knows the final deployment plan and its costs. EL-45.

II. DISCUSSION

The DPUC should reject CL&P’s proposed full deployment of AMI meters. Full deployment is not required by law and is neither cost-effective nor prudent. If the Department is intent on approving the use of AMI meters, it should do so on a far more limited basis than the Company has proposed.

A. The DPUC need not approve AMI meters to comply with Conn. Gen. Stat. § 16-243w(c)

Conn. Gen. Stat. § 16-243w(c)⁴ does not require that the Department approve CL&P’s AMI meter proposal. The DPUC already noted in its final decision in Docket No. 05-10-03RE01, 16, that the existing AMR meters can meet the requirements of the Act.

B. The Results of CL&P’s Pilot Program Do Not Support Full Deployment At the Present Time

The Company’s rate pilot simply does not support full deployment of AMI meters. First, the rate pilot consisted of 2,437 customers, less than 0.2% of the Company’s 1.2 million customers. Moreover, this group consisted entirely of customers who were motivated to try the new technology and the associated time-based rates, and they were paid for their participation in the pilot. This self-selected subset of the Company’s customers cannot be considered

⁴ See footnote 1, supra.

representative of the average CL&P customer. As the Company admitted during the hearings in this case, the average CL&P customer is likely far less motivated to consider time-of-use rates and install the associated advanced technologies that are required to improve their savings than those that participated in the pilot. See EL-4. Tr. 1943-1944.

Second, despite the fact that the pilot group had much more motivation to embrace the new time-of-use rate technology, the pilot results showed no beneficial impact on total energy usage. Specifically:

-for CPP, total energy usage increased by 0.2% for residential customers and there was no change for C&I customers;

-for PTR, total energy usage decreased by 0.2% for residential customers and there was no change for C&I customers; and

-for TOU, total energy usage decreased by 0.1% for residential customers and there was no change for C&I customers.

Pilot Report, 4.

With regard to the time of usage and savings in the pilot, according to CL&P's Pilot Report, residential customers on the CPP and PTR pilots reduced peak usage by modest amounts; 11% to 16% without controlling technologies and 18% to 23% with controlling technologies. Id. The savings associated with these reductions, however, were limited to certain classes of customers. While residential customers in the pilot saved an average of \$15.21 and low and limited income residential customers saved \$8.07, C&I customers' costs actually *increased* \$15.45. Id.

Even these modest savings, however, are vastly overstated. When calculating these "savings" in the pilot, CL&P did not reflect any of the costs associated with purchasing and installing the new AMI meters themselves. The Company also did not include the stranded costs

that would result from replacing the existing AMR meters before they had reached the end of their “useful lives.” Tr. 2043-2044. The Company’s “base case” scenario projects the cost of the new AMI meters and the attendant technology to be \$493 million and the stranded costs could add an additional cost of more than \$40 million. Tr. 2049-50.

Third, the pilot took place during an unusually cool summer. Pilot Report, 4; Tr. 1887. These moderate weather conditions likely skewed the results of the pilot by making participation in the pilot much less burdensome on its participants and leaving them with a far more positive impression of the program than they would have had under more typical weather conditions. Pilot participants never confronted the sometimes difficult choices that must be faced customers on dynamic rates, such as whether to use their air conditioners during extended periods of hot and humid weather. Tr. 2038-2040. See also EL-73. The mild weather, coupled with the fact that customers were paid for their participation in the pilot and were therefore financially insulated from any penalties that may have resulted from their failure to shift the times of their electricity usage, likely explains the positive reaction from those pilot participants that responded to the post-pilot survey.

Fourth, the costs associated with the full deployment of AMI meters are huge and cannot be justified by energy savings achieved. The Company’s deployment plan calls for the replacement of fully functioning AMR meters with new AMI meters. Many customers do not want or cannot use the new AMI meters. Under the Company’s plan, however, these customers will nonetheless be forced to subsidize the cost of the meters for the few customers who will use them.

The Company's base case scenario carries an estimated cost of just under \$500 million for these new meters, on a net present value basis. When spread over the Company's 1.2 million customers, this price tag comes to roughly \$411 per meter/customer. Tr. 2083. Moreover, as noted herein, this estimate is understated in that it does not include the more than \$40 million in stranded costs associated with replacing the existing AMR meters before they reach the ends of their useful lives. This staggering cost produced savings of just \$11 for residential customers over a twenty-year period, tr. 1965; 2060-2061, and the total energy usage in the pilot did not change for residential or C&I customers. Pilot Report, 4. In light of the State's high cost of electricity and lagging economy, CL&P's consumers simply cannot afford this experiment at the present time.

In addition, the cost of these new meters has increased by a staggering amount just since this case began. CL&P's initial meter proposal in this proceeding, presented in 2007, carried a projected cost of \$264 million to \$274 million for full deployment. Docket No. 05-10-03RE01, 9. That cost has since doubled.

Fifth, it is important to bear in mind that CL&P currently offers voluntary time-based rates, and these rates have attracted very few participants. While the Company argued that the low level of current participation indicates that the DPUC should increase the rate differentials between the peak and non-peak times in these rates, tr. 2113, the Department should remain skeptical. The DPUC should not force customers to purchase expensive AMI meters to facilitate rates that many customers have shown they do not want and are not likely to use, especially when it is those customers who do not or cannot take advantage of the dynamic rates (because the full benefit of AMI meters can only be achieved if the customers use them in conjunction

with other “smart” technology in their homes) will likely be forced to subsidize the savings of the few customers that can afford to use them. Tr. 1968-1970.⁵

C. CL&P’s Cost-Benefit Analysis Fails to Support Full AMI Deployment

After the conclusion of CL&P’s pilot program, the Company performed a cost benefit analysis by extrapolating the results of the pilot across its entire customer base. (Deployment Cost Benefit Analysis, submitted in Docket No. 05-10-03RE01, Order No. 4 (“Deployment CBA”)). CL&P’s cost-benefit analysis, however, is severely flawed, rendering the results inherently unreliable. A dispassionate analysis of the pilot results shows that the costs of CL&P’s smart metering plan far outweigh the benefits. The facts simply do not justify full deployment at the present time.

In its Deployment CBA, CL&P developed three cost scenarios, a best case, worst case and base case, for its full meter deployment strategy, with the Company asserting that the base case was the most likely to occur. Tr. 2006-2008. Each of these scenarios applied different inputs for the following variables:

- AMI meter costs;
- average lives of the AMI meters;
- forward capacity market prices through 2020;
- percentage of conservation achieved; and

⁵ After the completion of the pilot test period, CL&P conducted a survey to measure the participants’ satisfaction with the pilot. Although the survey results were favorable, they cannot be relied upon to predict customer satisfaction with CL&P’s metering plan across the Company’s entire customer base. According to CL&P’s survey, 92% of the residential participants and 74% of C&I participants said they would participate again. Pilot Rpt 4. The survey, however, was completed by a small subset of the rather small number of customers that volunteered for the pilot. Just 205 residential and 55 C&I customers actually responded to the survey. EL-79; Tr. 2037. Their views are not likely reflective of the views of the vast majority of CL&P customers who had no interest in the pilot program (despite the chance to be paid for participation), or may have participated in the program but declined to complete the survey.

-percentage of customer participation in dynamic pricing.

Deployment CBA, 3.

According to CL&P's conclusions, the best case scenario produced a positive net present value (measured over a twenty-year period) of \$791 million and the worst case scenario produced a negative net present value of \$392 million. The Company's base case scenario initially produced a positive net present value of \$87 million, which the Company revised upward during the hearing to \$154 million, again on a net present value basis. EL-15; LF-1.

Review of the Company's analysis shows that it has consistently understated the costs associated with AMI deployment. For example, CL&P did not include "stranded" costs that it would seek to collect from ratepayers associated with the existing AMR meters which would be replaced long before they reached the end of their useful lives. EL-37. The existing AMR meters were deployed by CL&P between 1994 and 2005 and have a useful life of twenty years. EL-38. The average remaining life of the existing AMR meters is 14 years. LF-17; Tr. 2140. In other words, many are just five or six years old.⁶

As of September 30, 2010, the net book value of the existing AMR meters was \$58.9 million. Tr. 2142, 2149. Thus, if the DPUC approved CL&P's full deployment AMI proposal, the stranded costs associated with the existing AMR meters would be \$41 to \$44 million. EL-38; Tr. 2042. These stranded costs, however, could be reduced substantially if the DPUC approved a surgical deployment of AMI or approved a strategy in which AMI meters were

⁶ Moreover, it does not appear that CL&P replaces its existing AMR meters immediately after they have been in service 20 years. In 2009, for example, the Company replaced only 646 meters because of their age or because they had exceeded their useful lives. LF-3.

installed only after an AMR meter reached the end of its useful life, or a combination of the two. Tr. 2142.

Other factors not appropriately considered in CL&P's analysis include the costs inherent in the roll-out of new advanced technology on a wide-spread basis and the related increase in customer inquiries and problems with the new meters and their functionality. EL-22. Note that these costs will be imposed on all of CL&P's customers under the Company's plan, including those who do not want and cannot use the AMI meters' capabilities.

While the costs that CL&P applied in its analysis were relatively known, the benefits were much more speculative because they depended on assumptions concerning a variety of critical external variables, such as future electric prices, the elasticity of demand for electricity and calculating the benefits of peak-time energy usage reductions. Deployment CBA, 8-9. For example, CL&P assumed that the level of participation across its entire customer base would match the levels of participation experienced in its rate pilot. This assumption, however, is unreasonably optimistic. As discussed herein, the pilot consisted exclusively of customers who chose to participate, and those customers were paid for their participation. In addition, CL&P will be unable to recreate the conditions of the pilot for all of its 1.2 million customers across the State. For instance, customers who participated in the rate pilot were given a high level of direct care and attention by Company employees to guide them through the process. It is highly unlikely, if not impossible, that CL&P could give the same sort of cash incentive payments and direct customer care to every one of their customers. See OCC PFT, 26-27.

Even with all of its flaws, CL&P's own overly optimistic cost-benefit analysis showed that the financial benefits associated with CL&P's proposed full AMI deployment are small.

According to the Company, residential customers would save just \$11 over a twenty-year period with the new AMI meters, while C&I customers would save \$96.35. EL-64; Deployment CBA 10. For residential customers, those savings come to roughly 55 cents per year.

Finally, CL&P's remaining arguments simply do not support full AMI deployment. CL&P claimed that the use of AMI meters would provide other system benefits, such as a reduction in transmission and distribution capital costs. EL-27. The Company, however, based this assumption on an existing energy conservation study and did not adequately explain why the results of that conservation study would apply in the present case. Id. The Company further asserted that the use of AMI meters will reduce uncollectibles by facilitating more and more timely shut-offs because the new meters would allow CL&P to could shut-off remotely. EL-55. CL&P, however, has already begun remote shut-offs using its existing AMR meter technology. Tr. 2157-2158; CL&P Notice to DPUC dated November 18, 2010 in DPUC Docket No. 98-01-02 (in which the Company announced the beginning of its remote shut-off program). Clearly, any benefits associated with remote shut-offs cannot be attributed solely to AMI technology.

Similarly, CL&P claimed that AMI meters will produce customer benefits because they will help detect service outages. But, existing AMR meters can also detect outages. Tr. 2136-2137. CL&P further stated that the new AMI meters would assist in theft protection. Again, however, the existing AMR meters already have tamper flags that serve that very purpose. Tr. 2098. Moreover, the Company did not produce any studies to indicate or support the correlation between AMR meters and theft of service. LF-10. Finally, CL&P could not provide examples of other companies that have saved money or reduced rates by installing these new meters. EL-61.

D. Dynamic Rates Are Punitive to Certain Types of Customers

Certain types of customers, due to no fault of their own, simply cannot shift their electricity usage to off peak times. These customers include many elderly, those with sick or young children at home, as well as those customers who work second or third shifts. OCC PFT, 17-18. Also, many businesses simply cannot change the times that they use electricity. Forcing these customers to purchase AMI meters is punitive. First, these customers cannot take advantage of the time-based rates that the AMI meters are intended to facilitate. Second, these customers will not only be forced to pay for their own meters, but they will also be required to subsidize any savings achieved by those customers that can benefit from time-of-use rates. Third, even if they could shift the times of their electric usage, many of these customers cannot afford the associated controlling technologies that are required to make the AMI meters truly effective. While time-based rates should remain an option for electric customers, they should not be forced on customers to their economic detriment.

Further, designing rate differentials in dynamic rates will prove to be a very difficult task that could, in the end, ultimately defeat the purpose of installing AMI meters altogether. CL&P asserted that the rate differentials in the dynamic rates offered with AMI meters must be significant enough to encourage customers to shift their usage to off-peak periods. Participation in dynamic rates, however, will be entirely voluntary. CL&P's customers will not be required to use the Company's dynamic rates, and indeed can switch to alternate generation providers who tend to offer flat rates. EL-76. As a result, the majority of any savings achieved by those customers who do switch their usage will likely be subsidized by those customers who do not shift their usage and do not switch from the standard offer.

E. Expected Advances in Technology Could Eliminate Some of the Costs Associated with CL&P's Proposal

As CL&P acknowledged during these proceedings, AMI technology is still maturing. Tr. 1903. Indeed, the Company is “monitoring” new technology that would allow compatibility to read AMI and AMR meters. EL-38. Tr. 1973; 2154-2155. This technology, which CL&P is now testing and should be commercially available by the end of 2011, would allow the deployment of AMI meters along side of existing AMR meters, thereby eliminating the need to replace AMR meters before they reach the end of their useful lives and the associated \$40 million in stranded costs of doing so. EL-38; LF-19; Tr. 2155. Other advances in technology could produce more profound results and may address the privacy and cyber-security issues presented by smart meter technology. See OCC PFT 14.

The Department has the time to be patient and see if new technology or innovative approaches provide a superior and more cost-effective alternative to the Company's AMI deployment proposal. CL&P's existing AMR meters have plenty of life remaining. The average remaining life of the existing AMR meters is 14 years. Moreover, CL&P tends to replace only three percent of its AMR meters per year. For example, from July 2009 to June 2010, CL&P replaced just 6,464 of its 1.2 million AMR meters, and of that amount replaced only 646 were replaced because their age exceeded their expected lives. LF-3.⁷

A wait-and-see approach is also supported by the Company's one year pilot “Home Energy Reporting Program,” which began this month. The 24,000 CL&P customers that participate in this program will receive customized detailed information about their electricity

⁷ CL&P testified during the late file hearings that these numbers are typical and fairly represent its meter replacements over recent years.

use, along with an anonymous comparison to similarly situated customers and personalized tips concerning how to increase the efficiency of their energy usage. The Company believes that this program, which does not require new meters or time-of-use rates, could save customers as much as three percent on their monthly electric bills. The Department should evaluate the results of this program before requiring customers to pay more than \$500 million on new meters and rates that are basically intended to serve the same purpose.

F. At Most, the DPUC Should Approve a Surgical Deployment

If the Department determines that it should approve the deployment of AMI meters in this case, it should authorize only a surgical deployment. That is, it should allow any CL&P customer that wants an AMI meter to receive one upon request, so long as the costs of those meters are assigned only to the customers who ask for them. Such a deployment strategy has been used in New York and protects customers who do not want or cannot afford to use AMI meters from subsidizing meters and rates that benefit other customers. LF-21. In the alternative, the Department could couple a surgical AMI deployment with a meter replacement strategy whereby the Company would replace obsolete AMR meters with new AMI technology. This would allow for a more gradual roll-out of AMI meters system-wide, which not only eliminates stranded costs but also allows time to work out problems or flaws with the new system and incorporate advances in technology. As CL&P testified, new meter reading technology has emerged that allows it to read AMR and AMI systems at the same time, which would allow the two metering systems to be deployed simultaneously. LF-19.

G. The DPUC Must Reject CL&P's Proposed "Conditional Approval"

In the event that the DPUC approves any sort of deployment of AMI meters in this case, it must reject the Company's proposal of assured cost recovery up-front. Instead, the Department should only approve cost recovery for the new meters in a full rate case proceeding after the meters are installed and considered "used and useful." In such a rate proceeding, the DPUC could properly review the prudence of the costs associated with this program, rather than writing the Company a blank check, paid for by customers, up front as CL&P has proposed. See OCC PFT, 30. As noted by the OCC in its testimony, there is a reason that the Company wants to be assured of full cost recovery in advance and place all of the risk of this investment on its customers -- because the Company is not willing to assume this risk itself. OCC PFT, 38-39. If the Company is unwilling to assume this risk, the DPUC should not place it on CL&P's customers, especially when the total projected residential savings associated with the project is just \$11 for residential customers over twenty years.

WHEREFORE, the Attorney General respectfully submits this brief in this proceeding.

Respectfully Submitted,

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