

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

DPUC DEVELOPMENT AND : DOCKET NO. 06-01-08PH01  
REVIEW OF STANDARD SERVICE :  
AND SUPPLIER OF LAST RESORT :  
SERVICE : JUNE 18, 2008

**MOTION OF THE RETAIL ENERGY SUPPLY ASSOCIATION  
TO REOPEN PROCEEDING**

**Introduction**

The Retail Energy Supply Association (“RESA”)<sup>1</sup> hereby moves the Connecticut Department of Public Utility Control (the “Department”) to reopen the above-captioned docket for the limited purpose of investigating whether the procurement plan approved by the Department for Standard Service (“SS”) and Last Resort Service (“LRS”) in its June 21, 2006 Decision in Phase I of this proceeding should be amended. Specifically, RESA requests that the Department examine whether The Connecticut Light and Power Company (“CL&P”) should be allowed to continue to solicit Scenario B contracts in connection with its procurement of SS and LRS power supplies.

Scenario B contracts allow wholesale suppliers to pass through their actual congestion costs to CL&P as they are incurred. To accommodate this approach, CL&P estimates the congestion costs for Scenario B contracts in the SS and LRS rates at the beginning of the applicable rate period and thereafter adjusts the estimate to the actual costs in subsequent rate proceedings. This estimation and true-up mechanism hinders the ability of customers to compare CL&P’s generation rates to fixed-price offerings by competitive suppliers, undermines energy efficiency initiatives by obscuring price signals

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<sup>1</sup> RESA’s members include Commerce Energy, Inc.; Consolidated Edison Solutions, Inc.; Direct Energy Services, LLC; Gexa Energy; Hess Corporation; Integrys Energy Services, Inc.; Liberty Power Corp.; Reliant Energy Retail Services, LLC; Sempra Energy Solutions, LLC; Strategic Energy, LLC; SUEZ Energy Resources NA, Inc.; and US Energy Savings Corp. The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of RESA.

to customers, and makes it difficult for retail suppliers to compete with CL&P's rates and sustain an enduring customer base in the state.

The original justification for the Scenario B contracts was to protect ratepayers from the supplier risk premiums that were attributable to unpredictable congestion costs of locational marginal pricing in the Connecticut load zone. Congestion costs in Connecticut, however, have declined and stabilized since the Bethel to Norwalk transmission line was completed. Thus, the original justification for the Scenario B contracts has diminished, while the harms from this procurement approach are becoming increasingly apparent.

All of these points are discussed in detail in Part III of the Comments of RESA that were filed in Docket No. 08-05-14 on the date of this Motion and are attached hereto as Exhibit A and are incorporated herein by reference.

### **Conclusion**

For the reasons stated above and in Exhibit A, RESA respectfully requests that the Department approve its Motion to Reopen this proceeding and investigate whether the Scenario B bidding approach should be discontinued.

Respectfully submitted,

RETAIL ENERGY SUPPLY  
ASSOCIATION

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