



**ELIN SWANSON KATZ**  
CONSUMER COUNSEL



**GEORGE JEPSEN**  
ATTORNEY GENERAL



**ARTHUR HOUSE**  
PURA CHAIRMAN

## **CONNECTICUT AGENCIES PROTEST ISO NEW ENGLAND BUDGET INCREASES**

*For immediate release*

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HARTFORD -- Connecticut Attorney General George Jepsen, Consumer Counsel Elin Swanson Katz and the Public Utilities Regulatory Authority (PURA) will file a protest today with the Federal Energy Regulatory Commission (FERC) against ISO New England Inc.'s (ISO-NE's) proposal to increase its budget, paid for by electric customers, by nearly 10 percent.

ISO-NE operates New England's regional transmission grid and electricity markets. Currently, no New England public utility commission has any formal oversight role regarding ISO-NE's budget, even though ISO-NE is funded directly and indirectly by New England ratepayers.

The Connecticut agencies, who are being joined in the protest by state agencies from Maine, New Hampshire and Rhode Island, also asked FERC to require ISO-NE to file its budget with New England state utility commissions 60 days prior to filing with FERC.

"Connecticut's electric rates are among the highest in the nation. FERC needs to determine why ISO-NE seeks to increase its burden on ratepayers by nearly 10 percent, when electricity demand is flat or declining," Attorney General Jepsen said. "Connecticut and other New England states should have the opportunity to review the ISO-NE budget and provide input on whether the agency is acting reasonably to control costs," he said.

Arthur H. House, PURA Chairman, said that "the ratepayers who pay ISO-NE's expenses must have a meaningful opportunity to review ISO-NE's annual budgets. The current system with no required state regulator review has resulted in unchecked growth by the ISO. FERC should receive and consider state utility regulator input from states actually served by ISO-NE before issuing any decisions approving annual budgets."

ISO-NE's requested operating budget for 2013 is approximately \$165 million, a nearly 9.3 percent increase over its \$151 million budget this year. ISO-NE's budget has increased 34 percent over the past four years. The number of full-time employees also has increased from 180 in 1997 to 563 proposed for 2013. If approved, ISO-NE will have added 100 full-time positions just in the past five years. ISO-NE already employs 40 percent more employees than all of the public utility commissions in New England combined.

Review of the budget shows that more than 80 percent of ISO-NE's budget goes to staff and outside professional services. In 2012, 275 of the 524 ISO-NE's employees were paid more than \$100,000 annually as base pay, and they received average yearly pay increases of 3 percent for each of the past 7 years. Employees last year received an average yearly merit bonus of 9 percent per employee.

Consumer Counsel Elin Swanson Katz noted, “This is a budget increase of \$14 million dollars, which is ultimately borne by ratepayers in Connecticut and New England. If this were a rate increase proposed by a utility, there would be months of hearings and process around it, with substantial public notice and input. Instead, we have a multi-million dollar increase that was approved through a limited process that involves no hearings or formal presentation of evidence – hence, we are seeking a hearing before FERC. It is only fair in these tough economic times that we keep a close watch on the bottom line.”

Public comments on ISO-NE’s 2013 rate increase must be filed with the FERC by Nov. 30, 2012. FERC will then decide whether to hold a hearing or simply allow the rate increase to go into effect on Jan.1, 2013.

A copy of the protest being filed may be seen at [ISO Budget Document](#)

**Media Contacts:**

Attorney General  
Susan E. Kinsman  
[susan.kinsman@ct.gov](mailto:susan.kinsman@ct.gov)  
860-808-5324 (office)  
860-478-9581 (cell)

Consumer Counsel  
Taren O’Connor  
[Taren.oconnor@ct.gov](mailto:Taren.oconnor@ct.gov)  
860-827-2908 (office)

DEEP/PURA  
Dwayne Gardner  
[dwayne.gardner@ct.gov](mailto:dwayne.gardner@ct.gov)  
860-424-3938 (office)