



**ELECTRICITY CONSUMERS
RESOURCE COUNCIL**

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NASUCA

**NATIONAL ASSOCIATION OF STATE
UTILITY CONSUMER ADVOCATES**

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Date: January 23, 2009

To: Congressional Leaders

From: The National Association of State Utility Consumer Advocates (NASUCA)
The Electricity Consumers Resource Council (ELCON)

Re: Economic Stimulus Legislation and State Utility Ratemaking Policies

As Congress considers an economic stimulus package, ELCON and NASUCA – representatives of large and small utility customers – are concerned that proposals are being offered that precondition the awarding of certain energy efficiency funds to States on whether the State has adopted specific regulatory and/or ratemaking policies.

In particular, some have advocated that Revenue Decoupling – basically guaranteeing each utility a level of revenue “decoupled” from its volumetric sales – be the litmus test for States to receive much needed funds for energy efficiency and other purposes. (*§6001(a)(1)(A) of the January 19, 2009 House Appropriations Committee Print*)

Large and small consumers oppose any national mandate that favors one type of energy efficiency "incentive" policy over other possible regulatory policies. Energy efficiency is best promoted by supporting a State's individual right to determine which regulatory policies are best suited to the State's specific needs. While we are strong supporters of increasing energy efficiency, mandating all States to adopt a single specific regulatory policy like Revenue Decoupling could delay the implementation of the stimulus package and delay implementing energy efficiency programs important to consumers.

These views opposing mandatory Decoupling are shared by the National Association of Regulatory Utility Commissioners (NARUC). (see <http://www.naruc.org/News/default.cfm?pr=120>)

We urge you to oppose any mandate that requires States adopt specific regulatory policies, like Revenue Decoupling, as a condition of receiving stimulus funding for energy efficiency programs.

Signed:

John A. Anderson
President & CEO, ELCON

Charles A. Acquard
Executive Director, NASUCA

NASUCA is an association of 44 consumer advocates in 40 states and the District of Columbia. NASUCA's members are designated by the laws of their respective jurisdictions to represent the interests of utility consumers before state and federal regulators and in the courts.

ELCON is the national association representing large industrial users of electricity.