

Opinion: Should all of Connecticut pay \$500 million for special treatment in Fairfield and Bridgeport?

By **Jim Cole**

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Grassroots organizing is, in my opinion, a good thing. It's part of what makes the American spirit strong and vibrant.

But importantly, organizers don't balance multiple perspectives from diverse stakeholders. Organizers advocate for their own set of interests — sometimes at the expense of everyone else's.

Such organizers in Fairfield and Bridgeport — made up of municipal leaders, legislators, and townspeople — have been relentlessly pursuing a dual mission: stop United Illuminating (UI) from taking 80-year-old transmission lines off century-old railroad catenaries to reposition them on monopoles within the Metro-North corridor, and force us to bury them underground instead.

Last week, they notched a perceived win when regulators at the Connecticut Siting Council voted in a non-binding straw poll to deny the project, despite its clear need for safety, reliability, and resiliency, and for Metro-North's continued advancement toward higher-speed rail.

But these organizers have failed to disclose a critical but inconvenient truth: if Fairfield and Bridgeport get their way in forcing UI to underground this transmission project, everyone else in Connecticut — 3.7 million residents, 169 municipalities, thousands of businesses — will foot the \$500 million bill.

That's because of the way transmission projects are financed. The transmission grid is interstate, meaning an interstate body, known as the Independent System Operator of New England (ISO-NE), approves the need for related projects. If a state regulatory body within the ISO-NE service area — in our case, the Connecticut Siting Council — approves a project plan that achieves the needed outcome at the least cost (in other words, the most “prudent” option), then the cost is spread across all 14 million rate payers in New England.

But if the Siting Council instead selects a more expensive project design, ISO-NE will not allow the additional costs to be paid for the region. Instead, Connecticut alone must pay the differential.

In this case, our most prudent option — an overhead design plan that runs south of the Metro-North railroad in Fairfield — costs around \$250 million to \$300 million. Meanwhile, undergrounding the line, which adds around 3 miles to the design plus several years of a far more complex construction process, costs upward of \$800 million, as determined by a third-party cost evaluation.

Conservatively, that's a difference of \$500 million — a cost borne by Connecticut alone.

Fairfield and Bridgeport can't pay the difference themselves. That's lucky for them, as that would cost each Fairfield and Bridgeport customer \$55-\$80 more per month on their electric bill. Maybe that's why they've never offered to do so; so much the better if Tolland, Waterbury, Litchfield, New London — the whole state — pick up the tab on their behalf.

Many of these communities, including Environmental Justice towns, have already had their own transmission lines rebuilt in a cost-effective, overhead design plan. Should they be expected to pay for eastern Fairfield County's underground design?

And where are the consumer advocates on this? The attorney general and the Office of Consumer Counsel never miss an opportunity to make a public statement about a few hundred thousand dollars spent by utilities they disagree with — but half a billion in costs borne by rate-payers whose interests they represent? Their silence is deafening.

In my view, just as ISO-NE considers it unjust to force customers in New Hampshire or Maine to pay for “gold-plating” Connecticut's transmission infrastructure, it is also unjust to force small businesses and residents around Connecticut to pay for special treatment in Fairfield and Bridgeport.

Make no mistake, this isn't about any adverse financial impact to UI. In fact, if the Siting Council requires UI to underground this project, we'd get a big pay day. Regulated utilities earn back the costs of approved projects from customers, *plus* a regulated profit margin — and the earnings on an \$800 million project are a lot more than earnings on a \$250 million project.

But in any project we undertake, it's our job, as a regulated utility, to balance a variety of interests — impacts to customers, the environment, safety and reliability, and affordability. In this case, the consequences for affordability are far too great for us to stand by in silence.

The Siting Council is expected to issue their final decision on this project on Thursday. Fairfield and Bridgeport have made it clear they will only settle for an underground option. State officials have just finished a long legislative session in which the affordability of electric rates in Connecticut was top of mind.

This is where the rubber meets the road. Is Connecticut ready to hike electric rates by half a billion dollars to fund a 7-mile underground transmission line in just two Fairfield County municipalities, purely for aesthetics?

Time for all of us to decide.

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