



OCC Advocates for Ratepayer Interests in its Brief in the PURA Natural Gas Expansion Plan Docket

On October 15, 2013, the Office of Consumer Counsel (OCC) filed its brief in the Public Utilities Regulatory Authority's (PURA) Docket No. 13-06-02, *PURA Investigation of Connecticut's Local Distribution Companies' Proposed Expansion Plans to Comply with Connecticut's Comprehensive Energy Strategy*. In Docket No. 13-06-02, Connecticut's three natural gas local distribution companies (LDCs), Yankee Gas Services Company (Yankee), Connecticut Natural Gas Corporation (CNG), and The Southern Connecticut Gas Company (SCG) (collectively, the Companies), are requesting that PURA approve their Joint Natural Gas Infrastructure Expansion Plan (Plan) to add approximately 280,000 new natural gas customers in Connecticut over the next 10 years. The Plan emanated from the recommendations made by the Connecticut Department of Energy and Environmental Protection (DEEP) in its 2013 Comprehensive Energy Strategy for Connecticut (CES), dated February 19, 2013, and in response to Public Act No. 13-298, *An Act Concerning Implementation of Connecticut's Comprehensive Energy Strategy and Various Revisions to the Energy Statutes* (Act).

OCC has been active in the Plan every step of the way, from filing comments in the stakeholder process for the CES, to reviewing and commenting on the Act, to discussing the Plan with the gas companies to understand their perspectives and goals. Once the Plan was filed, OCC carefully reviewed the details of the Plan, developed interrogatories, submitted the pre-filed testimony of Rebecca Bachelder, President of Blueflame Consulting, LLC, and C. John Meeske, President of Energy Market Decisions, and participated actively in the hearings.

OCC generally agrees with the broad goals of the Plan. However, in its Brief OCC maintains it is imperative that existing customers are not unduly burdened by the mechanisms proposed by the LDCs to enact the Plan. In her opening remarks to PURA in this proceeding, Consumer



Counsel Elin Swanson Katz recommended focusing on customers who are on or close to the main in the early years of the Plan in order to reduce the risk to existing customers and accelerate the benefits to a large number of new customers. In its Brief, OCC recommends limiting the impact on existing customers' bills by establishing a cap at a 3 percent increase. OCC further recommends that Shared Saving Rate (SSR) costs be recouped over a longer period of time and/or with a higher SSR premium than proposed. OCC suggests that PURA should reject Yankee's proposal to charge new, on-main customers the SSR. Moreover, OCC advocates that the Companies should bear a portion of the risk of cost over-runs and erroneous estimates of new revenues under the new Hurdle Rate model, given the demonstration in the record that they have not accurately forecasted costs and revenues to date.

OCC makes numerous other recommendations for PURA's consideration in its Brief, the link to which can be found below:

<http://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/78f4e87bd3a94c5685257c0500469338?OpenDocument>.

PURA is expected to release its Decision in this docket on November 22, 2013.