



STATE OF CONNECTICUT

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April 22, 2022

CONSUMER ALERT: MAY 2022 INCREASE IN EVERSOURCE CUSTOMER RATES

From: Consumer Counsel, Claire E. Coleman

Pursuant to PURA's Decision dated April 22, 2022, effective May 1, 2022, Eversource's electric rates (Rate 1 customers) will have a bill increase by approximately 1.7% (.24341 cents/kWh to .24769 cents/kWh). This will impact the average family using 700 kWh per month by approximately \$3.00.

The Office of Consumer Counsel participated in this proceeding and supported all avenues to limit rate increases, including supporting the use of the phased in approach adopted by the Authority. While we understand that increases to electrical bills is not welcome news for Connecticut consumers, *the main reason for the rate increase is increased costs of transmission on the bulk power system*, which are recoverable expenses so long as they are incurred prudently. OCC will continue to participate in the full prudence review of each of these costs with PURA and ensure any costs passed on to consumers were prudently incurred and just and reasonable, as required by law.

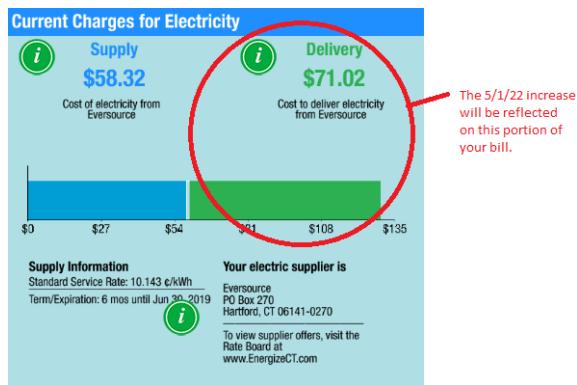
The Office of Consumer Counsel urges consumers to continue to make every effort to reduce bills through energy conservation and efficiency measures. For more information on reducing your usage, energy efficiency and clean energy improvements, please visit energizect.com or contact Eversource.

QUESTIONS AND ANSWERS

1. Will this impact my bill?

The scheduled increase will affect Connecticut customers of The Connecticut Light and Power Company, d/b/a Eversource Energy (“Eversource”). Please note that these changes do not apply to customers of Avangrid/United Illuminating.

Impacted Eversource customers will see this increase on the “Delivery” portion of their bill, as opposed to the “Supply” portion, which will not be affected by this increase. Here is an example of the division between the two bill portions:



2. How can I calculate how much this affect my monthly bill?

You can review your current Eversource bill to get a sense of how many kilowatt hours of electricity that you use on a monthly basis. The second page of your bill includes a chart on the lefthand side labeled “Monthly kWh Use,” and shows how many kilowatt hours you have used during each month of the past year. Here is an example from a sample bill:

Service Address: ANY STREET ANY TOWN, CT 00000		i	Bill Cycle: 19 33 Days
Serv Ref: 000000000		i	
Service from 03/27/19 - 04/29/19		i	Next read date on or about: May 29, 2019
Meter Number	Current Read	Previous Read	Current Usage
000000000	40614	40039	575
			Actual

Monthly kWh Use						
Apr	May	Jun	Jul	Aug	Sep	Oct
538	343	504	617	694	640	500
Nov	Dec	Jan	Feb	Mar	Apr	
570	504	530	513	438	575	

If you multiply the usage for a particular month by \$0.00428, the result will give you a sense of the kind of bill increase you can expect. In this example, if you used 700 kilowatt hours of power in May of 2021, and you use the same amount in May of 2022, your upcoming May bill will be \$3.00 higher than last May’s bill.

3. Why is the Delivery rate increasing?

Every year, Eversource files an application with the Public Utilities Regulatory Authority (“PURA”) for adjustments to certain components of the delivery rate that are included in the Rate Adjustment Mechanisms (“RAM”) Docket, which is a tool used by PURA consistent with Connecticut law to true-up the costs of delivering electricity on an annual basis.

4. What do all of the Rate Components in the below table mean?

“**NBFMCC**” stands for “Non-bypassable Federally Mandated Congestion Charge

“**TAC**” stands for “Transmission Adjustment Clause.”

“**SBC**” stands for “Systems Benefits Charge”.

“**CTA**” stands for “Competitive Transition Assessment”.

“**ESI**” stands for “Electric System Improvements

“**RDM**” stands for “Revenue Decoupling Mechanism”.

You can learn more about these particular rate components in OCC’s Report explaining Electric Bill and Rate Components as of January 1, 2022, [available here](#).

5. What are the reasons for the changes in each of these rate components?

NBFMCC is decreasing because of an over-recovery in 2021, driven primarily by actual Millstone purchase power costs in 2021. The Millstone purchase power costs in 2021 were lower than the 2020 actual Millstone purchase power costs that were incorporated into rates because the revenue offsets received in the market were greater in 2021 than in 2020.

TAC is increasing for two reasons. First, in light of the ongoing COVID-19 pandemic, in a letter dated July 31, 2020, PURA suspended the TAC rate increase for July 1, 2020, and reverted rates back to the level in effect as of January 1, 2020. The January 1, 2020 rate remained in place through May 31, 2021. The January 1, 2020 rate was 45 percent lower than the rate requested for July 1, 2020 because: (1) it included a large credit to customers for an over-recovery as of December 31, 2019; and (2) it was based on January through June 2020 expenses, which are typically significantly lower than expenses for July through December because transmission expenses spike in the summer cooling months of July through September. Second, the TAC experienced higher expenses in 2021 as compared to 2020, which was used as the basis for setting rates effective June 1, 2021. The 2021 expenses exceeded the 2020 expenses mainly due to a change in accounting procedures to align accounting treatment among all Eversource subsidiaries and to remove a billing lag previously used to record certain revenues and expenses from the Independent System Operator of New England, the most significant of which relates to the billing associated with Regional Network Service.

SBC is decreasing because the SBC rate in effect as of January 1, 2020, remained in place throughout 2021 as ordered by PURA, which included approximately \$18 million of an under-recovery from 2019. The SBC is now in an over-recovery position of approximately \$21 million.

CTA is increasing because the June 1, 2021, rate included a December 31, 2020 over-recovery credit of approximately \$5 million. As of December 31, 2021, Eversource has slightly under-recovered \$1 million for the CTA.

ESI is increasing primarily due to inclusion of 2021 Core Capital plant additions for which the Company is seeking recovery pursuant to the Settlement Agreement approved by the Authority in Docket No. 17-10-46. The ESI Charge is identified as a separate line item on customer bills as “Electric System Improvements” to recover the Company’s investments that protect, strengthen, or modernize the electric grid consistent with the PURA approved Settlement Agreement in Docket No. 17-10-46. The ESI revenue allocation is consistent with the 2021 distribution increase in the Settlement Agreement.

RDM is increasing due to the under-recovery of distribution revenues in 2021 coupled with the known and measurable expense for the Covid under-recovery. The adjustment to the RDM allows the Company to recover money it does not collect throughout the year (i.e., an under-recovery), and requires the Company to issue a refund if it collects more than is allowed for the year (i.e., an over-recovery)

6. What about the “Supply” part of my bill?

The rates you pay for the generation costs of your electricity, which are identified as Supply charges on your bill, are determined every six months during a procurement process – or are set independently by third-party suppliers - and will not be affected by this increase to Delivery rates. If you are a standard service customer, the next change in the supply part of your bill will be July 1, 2022.

7. Is there any way to lower the price I pay for the Delivery portion of my electric bill?

Delivery rates are set by PURA, consistent with state and federal requirements, and customers who reside in Eversource’s territory do not have the option to select an alternate electric distribution company. However, it is possible to reduce your overall electric bill by reducing your usage of grid energy, either through conservation, efficiency, or by accessing energy from alternate resources, such as renewable technologies.

SPECIFIC RATE COMPONENT ADJUSTMENTS

The specific components of delivery rates for Eversource customers will be increasing as of May 1, 2022 as follows:

Rate 1 Customers

Rate Component	Current Rate (¢kWh)	Rate as of 5/1/22 (¢kWh) Phased-In Cost Recovery Method	Change (¢kWh)
Transmission Adjustment Clause (TAC) Charge	0.03266	0.03681	0.00415
Electric System Improvement (ESI) Charge	0.00582	0.01003	0.00421
Revenue Decoupling Mechanism (RDM)	0.00162	0.00192	0.00030
Competitive Transition Assessment (CTA)	-0.00116	-0.00036	0.00080
Federally Mandated Congestion Charge (FMCC)	0.01585	0.01397	-0.00188
Combined Public Benefits (CPB) Charge [1]	0.01536	0.01206	-0.00330
Distribution Charge	0.05842	0.05842	0.00000
Subtotal	0.12857	0.13285	0.00428
Generation Charge	0.11484	0.11484	0.00000
Customer Charge	9.62000	9.62000	0.00000
Total	0.24341	0.24769	0.00428

[1] System Benefits Charge (SBC), Renewable Energy Investment Charge, Conservation Adjustment Mechanism (CAM) Charge