



## OCC Participates in CNG Rate Case

On September 24, 2013, the Public Utilities Regulatory Authority (PURA) began hearings in Docket No. 13-06-08, *Application of Connecticut Natural Gas Corporation for a Rate Increase*. In its application, the Connecticut Natural Gas Corporation (the Company or CNG) is proposing a number of increases to existing rates. CNG is requesting that PURA approve a 6.3% or \$19.7 million increase in delivery rate revenues to invest in “critical energy infrastructure.” There are a number of proposed increases to individual rate elements. For example, for Residential Heating (RSH) customers, CNG proposes to increase the fixed monthly service charge to \$16.50, an increase of 18%. The existing two-tier delivery charge would increase by 14% to \$.795 per ccf for usage in the first tier, and by 4% to \$.305 for usage in the second tier.

The Company also proposes to implement two new rate mechanisms, a bill surcharge for a distribution integrity management program (DIMP), and a decoupling mechanism, which may result in a charge or a credit for consumers. The DIMP charge goes to pay for accelerated infrastructure replacement. The decoupling charge, simply put, is intended to lessen Company risk due to variations in usage and, in turn, the Company's rate of return is supposed to reflect this reduced risk.

The Office of Consumer Counsel (OCC) is especially concerned about the impact of these proposed charges since ratepayers will also be paying new charges associated with Connecticut's Comprehensive Energy Strategy (CES) for expansion of gas availability. The PURA proceeding that will decide on the gas expansion plan is Docket No. 13-06-02. OCC is actively participating in the docket, which is currently in progress. The new charges associated with the CES include the use of some or all of non-firm margin revenue for gas expansion. For quite some time, 99% of this margin revenue has been returned to ratepayers to help mitigate gas



supply costs. Under the proposed expansion plan, existing ratepayers are also at risk for a three-percent bill increase that would be used to support expansion. PURA is accepting written public comments into the record via mail and email. To submit a comment, visit the PURA website at [www.ct.gov/pura](http://www.ct.gov/pura).

Through its active participation in PURA Docket No. 13-06-08, OCC will continue to advocate for just and reasonable rates for CNG ratepayers. Below please find a link to OCC's Pre-filed Testimony in this docket.

[http://www.dpuc.state.ct.us/dockcurr.nsf/\(Web%20Main%20View%5CAll%20Dockets\)?OpenView&Start=141.1.157.1](http://www.dpuc.state.ct.us/dockcurr.nsf/(Web%20Main%20View%5CAll%20Dockets)?OpenView&Start=141.1.157.1).