



Jewett City Water Company Files For WICA

The Jewett City Water Company is the seventh water company in Connecticut to apply for the Water Infrastructure and Conservation Adjustment (WICA). The WICA program was established by Public Act 07-139, entitled “An Act Concerning Water Company Infrastructure Projects,” on June 19, 2007. The Act encourages water companies to replace and/or rehabilitate their aging infrastructure and promotes conservation measures. Many water companies in Connecticut have pipes dating back to the late 1800s and early 1900s, so it is very important to deal with developing problems before they become critical.

The Public Utilities Regulatory Authority (PURA) oversees the WICA program, and the Office of Consumer Counsel (OCC) is an active participant in WICA proceedings. Water companies participating in the WICA program are allowed to start collecting the carrying charges on the replaced and/or rehabilitated infrastructure shortly after it is placed in-service by using a rate adjustment mechanism. Traditionally, a water company would have to wait until its next rate case before it could start collecting the carrying charges on the infrastructure. This is a significant benefit for the water companies. Connecticut water ratepayers also benefit from the WICA program because the aging infrastructure is being replaced and/or rehabilitated on a programmatic basis. In addition, the cost is being collected from ratepayers in relatively small increments (maximum of 5% per year) as opposed to waiting for a rate case in which a larger sudden increase in rates may be assessed. Many ratepayers have expressed the opinion that they would prefer smaller increases in rates spread over time rather than a large and sudden increase.