



Future Rate Reconciliation Proceedings

If you are a CL&P customer, you are probably aware that the distribution rates on your bill are increasing in 2015 as a result of the Final Decision of the Public Utilities Regulatory Authority (PURA) in the CL&P rate case, Docket No. 14-05-06. Standard service generation ratepayers, from both CL&P and UI, will see generation service rate increases in January.

However, you may not be aware of future rate risks in 2015 and beyond, that will come from so-called “reconciliation proceedings.” The major electricity reconciliation proceedings before PURA in 2015 are Docket Nos. 15-03-01 (CL&P) and 15-03-02 (UI). These dockets encompass charges for the transmission adjustment clause (TAC); the competitive transition adjustment (CTA); the systems benefits charge (SBC); the federally-mandated congestion charges (FMCC), and the generation services charge (GSC). In reconciliation proceedings, the companies submit budgets and estimated rates for a certain covered period, usually annual in 2015. At the end of the covered period, the actual expenditures are examined and the PURA-approved costs are reconciled with the corresponding revenues the companies have received during the same period.

In each proceeding, there may be a number of unbudgeted variables, either charges or credits, in each cost category. For example, in the case of the TAC, the system administrator, ISO New England, may have approved a new expenditure(s) in the period; or for the FMCC, there may be a new state statute approving new FMCC charges. The net result of the proceeding may be a charge or a credit for ratepayers. If you would like to follow the proceedings, filings in Docket Nos. 15-03-01 and 15-03-02 are available on the PURA website.