



New System Resiliency Charges for CL&P Customers in 2015

Most Connecticut Light & Power Company (CL&P) customers are now aware that the distribution rates on their bills are increasing in 2015 as a result of the Final Decision of the Public Utilities Regulatory Authority (PURA) in Docket No. 14-05-06, *Application of The Connecticut Light and Power Company to Amend Rate Schedules* (CL&P rate case). In addition, Standard Service generation ratepayers in CL&P territory will see generation service rate increases in January 2015. The news media in Connecticut has covered these issues extensively. However, CL&P customers may not be aware of increased charges that will be billed through the non-bypassable federally-mandated congestion charges (NBFMCC). This is one of the line items at the bottom of an electricity bill that very few customers understand.

In response to the 2012 storms, CL&P developed a \$300 million plan to increase the resiliency of their system, which PURA approved in Docket No. 12-07-06, *Application of The Connecticut Light and Power Company for Approval of its System Resiliency Plan*. The program costs flow through the NBFMCC. This program started in 2014 and continues through 2017. In the CL&P rate case, CL&P proposed an increase of \$368 million to the resiliency plan to be spent from 2015 through 2019, with \$44 million in spending proposed for 2015. CL&P requested PURA's approval to proceed with the new resiliency program subject to review of proposed spending in an anticipated reopening of Docket No. 12-07-06. In the CL&P rate case Final Decision, PURA did not approve specific projects or an increase in capital expenditure levels but did "authorize the program to go forward." Final Decision, PURA Docket No. 14-05-06, *Application of The Connecticut Light and Power Company to Amend Rate Schedules*, at 10. Therefore, based on the initial information presented in the CL&P rate case, OCC estimates that customers can expect to see increases in the NBFMCC beginning in 2015, with the new system resiliency project expenditures raising customers' bills by as much as \$70 million annually when the new phase of resiliency expenditures are completed in 2019.