



## STATE OF CONNECTICUT

# NEWS RELEASE

Consumer Counsel Elin Swanson Katz

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### **FOR IMMEDIATE RELEASE**

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### **CONSUMER COUNSEL ELIN SWANSON KATZ ANNOUNCES SETTLEMENT AGREEMENT SUBSTANTIALLY REDUCING EVERSOURCE ENERGY'S REQUESTED RATE INCREASE**

**NEW BRITAIN, Conn. (January 12, 2018)** Consumer Counsel Elin Swanson Katz announced that the Office of Consumer Counsel (OCC), along with the designated Prosecutorial Staff of the Public Utilities Regulatory Authority (PURA), have entered into a Settlement Agreement with Eversource Energy (Eversource) regarding Eversource's Application to PURA to increase its existing distribution rates in a three-year rate plan. The [Settlement Agreement](#), filed with PURA on January 11, 2018, is subject to PURA review and approval.

“Whenever there is an application for a rate hike, many consumers immediately worry, what is this going to cost me? We have worked very hard to reduce the bill impacts. This Settlement Agreement achieves an overall reduction of \$182.4 million from Eversource's requested three-year rate plan, including an over 60% reduction to Eversource's rate year one request, while still enabling Eversource to continue to provide safe and reliable service to its customers,” Consumer Counsel Katz said. “Our goal is to ensure a high-quality electric distribution system that meets consumers' needs as cost-effectively as possible. My staff, supported by our subject matter experts and the Prosecutorial Staff of PURA, has spent considerable time analyzing Eversource's Application as well as the voluminous discovery regarding the Application. While no increase is welcome news, we believe that we have limited the requested rate increase as much as possible.”

The Settlement Agreement provides for new rates effective May 1, 2018 and it establishes revenue requirements that are substantially reduced from the Application. Eversource's Application proposes an increase in revenues of \$255.8 million for the first rate year, or approximately 6.57% over currently authorized overall revenues. The Settlement Agreement provides for an increase in revenues of \$97.1 million for the first rate year, or approximately 2.47% over currently authorized overall revenues. Given that Eversource's rate Application reflects approximately \$700 million of recent investments to improve the reliability

and safety of the electric distribution system that are not accounted for in current rates, which investments were verified by OCC and the Prosecutorial Staff of PURA, some level of rate increase is necessary.

OCC and the Prosecutorial Staff of PURA also achieved a material reduction to the incremental increases sought by Eversource for years two and three of the three-year rate plan. The following table illustrates the substantial reductions in the Settlement Agreement to the distribution rate relief originally requested in Eversource’s Application:

<b>Distribution Rate Increase</b>	<b>Rate Year 1</b>	<b>Rate Year 2</b>	<b>Rate Year 3</b>
Request in Original Application	\$255.8 million	\$44.7 million	\$36.4 million
Bill Impact (increase on total bills)	6.57%	1.27%	0.98%
Revised Request in Settlement	\$97.1 million	\$32.7 million	\$24.7 million
Bill Impact (increase on total bills)	2.47%	0.81%	0.61%

The Settlement Agreement includes reductions to rate base, operations and maintenance expense, depreciation and amortizations, cost of capital, and uncollectibles expense. The Settlement Agreement also includes a decrease to Eversource’s revenue requirements request reflecting a portion of the estimated reduction to the federal corporate tax rate from 35% to 21% resulting from the recent federal tax law change. The impact of the three-year rate plan on specific rate classes and individual customer bills will be determined by PURA in the rate design and cost of service phase of the proceeding, which has been excluded from the Settlement Agreement.

PURA has docketed Eversource’s Application as Docket No. 17-10-46, in which docket it will consider the Settlement Agreement. PURA has [scheduled](#) four evening public comment hearings in New Britain, Stamford, Branford, and New London, at which Eversource customers may provide public comment. In addition, those Eversource customers wishing to comment in writing on the proposed three-year rate plan or Settlement Agreement are encouraged to contact PURA at: Public Utilities Regulatory Authority, Ten Franklin Square, New Britain, CT 06051, or via e-mail at [pura.executivesecretary@ct.gov](mailto:pura.executivesecretary@ct.gov), referencing Docket No. 17-10-46.

Eversource serves approximately 1.2 million electric customers within the 149 cities and towns in its Connecticut service territory.

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*The Office of Consumer Counsel (OCC) is the State of Connecticut’s advocate for consumers on issues relating to electricity, natural gas, water, and telecommunications. For more information, visit [www.ct.gov/occ](http://www.ct.gov/occ).*