

Peaking Power Plants in Connecticut

On June 4, 2007, the State of Connecticut enacted Section 50 of Public Act 07-242, now codified at Section 16-243u of the General Statutes (“Act”). This Act empowered the former Department of Public Utilities Control (“DPUC”) to seek competitive proposals for development of peaking generation in Connecticut, subject to Public Utilities Regulatory Authority (“PURA”) approval on cost of service principals. The three selected projects were: (1) a 188 megawatt facility owned by GenCon Energy LLC located in Devon; (2) a second 188 megawatt facility owned by GenCon Energy LLC located in Middletown, and (3) a 130 megawatt facility owned by PSEG Power LLC located in New Haven. The first two facilities have been completed and are in-service, while the third facility is under construction and is due in-service on June 1, 2012.

Currently, there is a PURA docket to determine the Revenue Requirements for PSEG Power LLC for the seven months starting June 1 to December 31, 2012. PSEG Power LLC sought rates of \$16.383 million, excluding fuel. The OCC, which is a party to all dockets initiated by PURA, thoroughly investigated all the evidence provided in the docket’s record and recommended rates of \$12.687 million. All parties are currently awaiting PURA’s draft decision, which is due out May 3, 2012.