

**RATE BASING ELECTRIC CONSERVATION & LOAD**  
**MANAGEMENT PROGRAMS**

In Docket No. 12-04-07, *PURA Review Of The Costs And Benefits Of Allowing An Electric Distribution Company To Earn A Rate Of Return On Its Long-Term Investments In Energy Efficiency*, the OCC recently filed written comments in the Public Utilities Regulatory Authority's (PURA) proceeding to analyze the costs and benefits to allow an electric distribution company (EDC) to earn a rate of return on its long-term investments in energy efficiency. While aware of Section 133 of Public Act 11-80's requirement that PURA conduct this docket, OCC expressed its concern over the potential impact on the electric rates for Connecticut customers.

OCC's comments noted that in certain extraordinary situations, allowing a rate of return on long-term energy efficiency investments may be appropriate. However, PURA should recognize that this is a much more costly ratemaking alternative that shouldn't be used unless absolutely necessary. Rate basing Conservation and Load Management (C&LM) costs would result in a deferral and multi-year amortization of conservation expenditures. This would create an accrual of unrecovered expenditures that ratepayers would be responsible for.

Electric distribution companies have been allowed to decouple, and are paid for administering existing C&LM programs. Because of this structure, further incentives are creating new profit centers for Connecticut's regulated utility companies. Bottom line - this is an inappropriate burden to be placed on the utility ratepayers.