



# STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY  
TEN FRANKLIN SQUARE  
NEW BRITAIN, CT 06051

DOCKET NO. 17-12-03RE011

PURA INVESTIGATION INTO DISTRIBUTION  
SYSTEM PLANNING OF THE ELECTRIC  
DISTRIBUTION COMPANIES – NEW RATE  
DESIGNS AND RATES REVIEW

June 23, 2021

By the following Commissioners:

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**INTERIM DECISION – PHASE 1A (EVERSOURCE RATE 30)**

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## **INTERIM DECISION**

### **I. INTRODUCTION**

#### **A. SUMMARY**

In this Interim Decision, the Public Utilities Regulatory Authority (Authority or PURA) directs The Connecticut Light and Power Company d/b/a Eversource Energy (Eversource or Company) to offer an interim tariff rate rider consistent with the rate design provided in response to CAE-11 beginning November 1, 2021. Existing small business customers may choose to remain under the Company's Rate 27 or Rate 30 tariff, or may elect to transition to the interim volumetric rate tariff rate rider established herein. The optional interim rate rider will be made available to all customers eligible for Rates 27 and 30, with no distinction between solar or non-solar customers. Rates will be forward-looking. Eversource will be required to assist customers and provide insight regarding which option will be most economically beneficial to the customer.

The Authority finds that the creation of optional volumetric Rate 27 and 30 tariff rates may provide timely economic relief for low demand small business customers as they attempt to recover from the COVID-19 pandemic. The Authority also finds that an optional volumetric-based tariff rate rider is in the public interest and is consistent with Public Act 20-5, An Act Concerning Emergency Response by Electric Distribution Companies, the Regulation of Other Public Utilities and Nexus Provision for Certain Disaster-Related or Emergency-Related Work Performed in the State (Take Back Our Grid Act).<sup>1</sup>

#### **B. BACKGROUND AND CONDUCT OF THE PROCEEDING**

In the Interim Decision dated October 2, 2019, in Docket No. 17-12-03, PURA Investigation into Distribution System Planning of the Electric Distribution Companies (Equitable Modern Grid Decision), the Authority specified a series of reopened proceedings to further investigate near-term topics integral to realizing the objectives of PURA's Framework for an Equitable Modern Grid, including "Docket No. 17-12-03RE11 [which] will explore new rate designs." Equitable Modern Grid Decision, pp. 24-25.

On October 2, 2020, the Connecticut General Assembly passed the Take Back Our Grid Act. Section 5 of the Take Back Our Grid Act authorized PURA to consider the implementation of an interim rate decrease, low-income rates, and economic development rates for customers of electric distribution companies (EDCs), pursuant to its authority in Sections 16-19(g), 16-19e, and 16-19oo of the General Statutes of Connecticut (Conn. Gen. Stat.).

On October 27, 2020, in accordance with the Equitable Modern Grid Decision and pursuant to Section 5 of the Take Back Our Grid Act, the Authority initiated the above-captioned contested proceeding, to explore new rate designs that address the disproportionate impact of increased electric rates on the lowest income customers and

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<sup>1</sup> Available at: <https://www.cga.ct.gov/2020/ACT/PA/PDF/2020PA-00005-R00HB-07006SS3-PA.PDF>.

the need for Connecticut businesses to remain competitive with neighboring states, in addition to considering the implementation of an interim rate decrease, low-income rates, and economic development tariffs. Notice of Proceeding, dated October 30, 2020.

On November 4, 2020, SolarConnecticut (SolarConn) filed a motion previously submitted in Docket No. 17-12-03RE01, PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Energy Affordability, and in Docket No. 17-12-03RE09, PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Clean and Renewable Energy Resource Analysis and Program Reviews,<sup>2</sup> requesting that the Authority establish an optional “Rate 3X ZREC Tariff” for participants of the Low and Zero Emission Renewable Energy Credit (LREC/ZREC) program taking service on Eversource Rates 30, 35, 37, and 39 (Motion No. 2). SolarConn’s proposed optional Rate 3X ZREC Tariff sought to implement a rate design similar to the corresponding rates in effect prior to the Authority’s Decision dated December 17, 2014, in Docket No. 14-05-06, Application of The Connecticut Light and Power Company to Amend Rate Schedules. Motion No. 2, p. 3. Specifically, SolarConn advocated for re-establishing a kilowatt-hour (kWh) distribution service charge and lowering the current kilowatt (kW) distribution service demand charge. Id.

On December 18, 2020, the Authority received a letter from the leadership of the General Assembly’s Energy and Technology (E&T) Committee<sup>3</sup> stressing “the importance of considering targeted relief for Connecticut’s small business community given the devastating impacts of the ongoing health emergency” and requesting that PURA “consider the implementation of an interim revised tariff for customers currently under Eversource Rate 30... [as it] has led to many of our State’s small businesses receiving wildly-high bills despite being closed or operating at reduced hours during the COVID-19 pandemic.” E&T Committee Correspondence dated December 17, 2020, p. 1. The letter cites “high fixed charges (per kW)” as the cause of these wildly high bills. Id. Further, the E&T Committee leadership observed that Eversource’s current Rate 30 structure inhibits small business customers from mitigating their electric expenses by participating in the State’s distributed energy resource programs, again due to “high fixed charges”. Id.

On December 22, 2020, the Authority issued its first set of interrogatories in the instant proceeding on issues addressed in this Interim Decision (See CAE-01 through CAE-03). On December 23, 2020, the Authority issued a Notice of Request for Written Comments on Eversource’s Rate 30 Considerations, specifically requesting all Parties, Intervenors, and other interested stakeholders provide comment on Motion No. 2 and the E&T Committee Correspondence dated December 17, 2020.

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<sup>2</sup> The Authority did not issue a substantive motion ruling in Docket Nos. 17-12-03RE01 or 17-12-03RE09 on the matter.

<sup>3</sup> The letter was signed by Co-Chairs Senator Norm Needleman and Representative David Arconti, along with Ranking Members Senator Paul Formica and Representative Charles Ferraro. See E&T Committee Correspondence, dated 12/17/2020, [http://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/5f6ac9e47e2f1622852586410064b1dc/\\$FILE/98230307.pdf/Rate%2030%20Letter%20Arconti%20.pdf](http://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/5f6ac9e47e2f1622852586410064b1dc/$FILE/98230307.pdf/Rate%2030%20Letter%20Arconti%20.pdf).

On February 18, 2021, the Authority issued a Notice of Docket Timeline that established a multi-phase proceeding. In the Notice of Docket Timeline, the Authority indicated its intention to issue an interim decision with respect to the topic of Eversource's Rate 30 rate design as Phase I of this proceeding.<sup>4</sup> On February 25, 2020, the Authority issued its second set of interrogatories in the instant proceeding on issues addressed in this Interim Decision (See CAE-11 through CAE-17 and CAE-22 through CAE-23).

By Notice of Procedural Conference dated March 9, 2021, the Authority held a procedural conference on March 11, 2021, via teleconference. By Notice of Hearing dated March 12, 2021, the Authority held a public hearing on this matter on Friday, March 19, 2021, via teleconference. The Authority conducted a Late Filed Hearing on Friday, March 26, 2021, via teleconference. On May 21, 2021, the Authority issued a Proposed Interim Decision in this proceeding and provided an opportunity for the Parties and Intervenor to file Written Exceptions and to present Oral Argument.

### **C. PARTIES AND INTERVENORS**

The Authority designated the following as Parties to this proceeding: the Office of Consumer Counsel, Ten Franklin Square, New Britain, CT 06051; the Commissioner of the Department of Energy and Environmental Protection, 79 Elm Street, Hartford, CT 06106; the Office of the Attorney General, Ten Franklin Square, New Britain, CT 06051; Office of Education, Outreach, and Enforcement, Ten Franklin Square, New Britain, CT 06051; Eversource, 107 Selden Street, Berlin, CT 06037; and The United Illuminating Company (UI), 180 Marsh Hill Road, MS AD-2A, Orange, CT 06477.

The Authority granted Intervenor status to the following: SolarConn; Connecticut Industrial Energy Consumers (CIEC); Key Capture Energy; Connecticut Legal Services, Inc.; Northeast Clean Energy Council; Operation Fuel, Inc.; Center for Children's Advocacy; and Walmart, Inc.

### **D. PUBLIC COMMENT**

The Authority received correspondence from the Connecticut Council of Small Towns, officials from the Town of Vernon, the Selectman of the Town of Litchfield, and 12 Eversource Rate 30 customers, all of whom expressed support for SolarConn's motion requesting that PURA modify Eversource's Rate 30 tariff.

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<sup>4</sup> The Authority subsequently issued a Revised Notice of Docket Timeline on May 5, 2021 adding additional phases to the instant proceeding. The Authority's Rate 30 investigation was redesignated Phase Ia and the remaining procedural steps were rescheduled. See [http://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/6b3c714b7133aa7b852586cc006cfc63/\\$FILE/17-12-03RE11%20REVISED%20Notice%20of%20Docket%20Timeline.pdf](http://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/6b3c714b7133aa7b852586cc006cfc63/$FILE/17-12-03RE11%20REVISED%20Notice%20of%20Docket%20Timeline.pdf).

## **II. EVERSOURCE'S SMALL & INTERMEDIATE GENERAL ELECTRIC SERVICE RATES**

### **A. RATE 30 – SMALL GENERAL ELECTRIC SERVICE**

Rate 30 represents Eversource's largest non-residential rate class of customers; as of the end of 2020, 103,523 customers took service on Rate 30. Eversource Response to CAE-01, RV-01, Attachment 1. All customers with a maximum demand of less than 200 kW may take service on Rate 30. See Eversource Rate 30.<sup>5</sup> The Rate 30 tariff establishes a monthly Distribution Customer Charge of \$44.00 and a Distribution Demand Charge of \$14.52 per kW for all demand over 2 kW. *Id.*; Tr. 3/19/21, pp. 71-73. Currently, there is no volumetric component included in the Distribution Charge. *Id.*

Rate 30 is a block rate, meaning that customers do not incur demand charges for any of the rate components for the first 2 kW of demand used. The Company explained that the historical origins of the exemption for the first 2 kW of demand was that it was impractical and not cost-effective to install demand meters for small business customers with less than 2 kW of monthly demand. Tr. 3/19/21, pp. 91-94. Eversource also commented that the metering technologies available at the time influenced rate design, and that the Company has not modified the 2 kW demand threshold since it was first established. *Id.*

Eversource confirmed that its underlying rate design structure for Rate 30 has remain unchanged since the Authority's rate case decision dated December 17, 2014, in Docket No. 14-05-06, Application of The Connecticut Light and Power Company to Amend its Rates. *Id.*, p. 74. The Authority last approved Eversource's Rate 30 Distribution Service Rates in its Decision dated April 18, 2018, in Docket No. 17-10-46, Application of The Connecticut Light and Power Company d/b/a Eversource Energy to Amend its Rate Schedules (2017 Rate Case). The 2017 Rate Case, which resulted in an amended settlement agreement, established a three-year rate plan;<sup>6</sup> as is demonstrated in Table 1 below, the distribution demand charge increased approximately 9% over the three-year rate period. Table 1 illustrates the evolution of the distribution charges included in the Rate 30 tariff since 2014.

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<sup>5</sup> See Eversource's Rate 30 tariff, available at: [https://www.eversource.com/content/docs/default-source/rates-tariffs/ct-electric/rate-30-ct.pdf?sfvrsn=5f24c062\\_18](https://www.eversource.com/content/docs/default-source/rates-tariffs/ct-electric/rate-30-ct.pdf?sfvrsn=5f24c062_18).

<sup>6</sup> Rate Year 1 (May 1, 2018 – April 30, 2019); Rate Year 2 (May 1, 2019 – April 30, 2020); and Rate Year 3 (May 1, 2020 – April 30, 2021).

**Table 1**  
**Eversource Rate 30 Distribution Components, 2014 – 2020**

Distribution Component	2014 <sup>7</sup> (1/1/14)	2015 <sup>8</sup> (1/1/15)	2016 <sup>9</sup> (1/1/16)	2017 <sup>10</sup> (1/1/17)	2018 <sup>11</sup> (5/1/18)	2019 <sup>12</sup> (5/1/19)	2020 <sup>13</sup> (5/1/20)
Demand Charge (\$/kW) (over 2 kW)	\$6.06	\$12.17	\$12.37	\$12.37	\$13.30	\$13.98	\$14.52
Volumetric Charge (cents/kWh) (first 300 kWh)	\$17.80	N/A	N/A	N/A	N/A	N/A	N/A
Monthly Customer Charge	\$38.50	\$44.25	\$44.25	\$44.25	\$44.00	\$44.00	\$44.00

**B. EXISTING ALTERNATIVES TO RATE 30**

**1. Rate 27 – Small Time-of-Day General Electric Service**

For customers with a maximum demand of less than 350 kW, Eversource offers a time-of-day general electric service rate. See Eversource Rate 27.<sup>14</sup> The on-peak periods for Rate 27 are weekdays 12 noon – 8 p.m. during Eastern Standard Time, and weekdays 1 p.m. – 9 p.m. during Daylight Savings Time. Id. The Rate 27 tariff establishes a time differentiated, on/off peak volumetric kWh rate and a lower kW demand charge to the Transmission Service Rate compared to Rate 30. Id. Rate 27 also applies an on/off peak volumetric kWh rate to the federally mandated congestion charge component. Id.

Customers with a demand equal to or greater than 200 kW, but less than 350 kW, must take service under either Rate 27 or Rate 37, and may not return to Rate 30 or Rate 35 if the customer's maximum demand drops below 200 kW. Id.

<sup>7</sup> See Docket No. 06-01-08 PH02, Rate 30-01-14.doc, dated 12/13/13.

<sup>8</sup> See Docket No. 14-05-06, Supplement Compliance Order No. 2, dated 12/29/14

<sup>9</sup> See Docket No. 16-01-01, Rate 30.01-01-16.doc, dated 12/28/2015.

<sup>10</sup> See Docket No.17-01-01, Rate 30-01-01-17.doc, dated 12/27/16.

<sup>11</sup> See Docket No. 17-10-46, Order No. 1, Exhibit 1, dated 4/23/18.

<sup>12</sup> See Docket No. 17-10-46, Order No. 10, Rate 30.05-01-19 doc, dated 4/22/19.

<sup>13</sup> See Docket No. 17-10-46, Order No. 12, Rate 30.05-01-20 doc, dated 3/16/20.

<sup>14</sup> See Eversource's Rate 27 tariff, available at: [https://www.eversource.com/content/docs/default-source/rates-tariffs/ct-electric/rate-27-ct.pdf?sfvrsn=7d24c062\\_20](https://www.eversource.com/content/docs/default-source/rates-tariffs/ct-electric/rate-27-ct.pdf?sfvrsn=7d24c062_20).

## **2. Rate 35 – Intermediate General Electric Service**

For customers with a maximum demand of less than 200 kW, Eversource offers an intermediate general electric service rate. See Eversource Rate 35.<sup>15</sup> The Distribution Demand Charge is currently \$8.86 per kW (over 2 kW) and the monthly Distribution Customer Charge is \$270. *Id.* The demand charges established under Rate 35 for the Electric System Improvements charge, Transmission Service Rate, and the Competitive Transition Assessment also differ from the corresponding tariff components under Rate 30.

## **3. Rate 37 – Intermediate Time-of-Day General Electric Service**

For customers with a maximum demand of less than 350 kW, Eversource offers an intermediate time-of-day general electric service rate. See Eversource Rate 37.<sup>16</sup> The on-peak periods for Rate 37 are weekdays 12 noon – 8 p.m. during Eastern Standard Time, and weekdays 1 p.m. – 9 p.m. during Daylight Savings Time. *Id.* The Rate 37 tariff establishes a time differentiated, on/off peak volumetric kWh rate and a lower kW demand charge to the Transmission Service Rate compared to Rate 30. *Id.* Rate 37 also applies an on/off peak volumetric kWh rate to the federally mandated congestion charge component. *Id.*

Customers with a demand equal to or greater than 200 kW, but less than 350 kW, must take service under either Rate 27 or Rate 37, and may not return to Rate 30 or Rate 35 if the customer's maximum demand drops below 200 kW. *Id.*

## **C. MOST BENEFICIAL RATE REVIEW**

Eversource stated that multiple times per year, the Company proactively performs a comparative bill analysis for all customers taking service on Rate 30 and Rate 35 to calculate whether the customer would benefit from switching from Rate 30 to Rate 35, or vice versa, based on the customer's historical usage data. Tr. 3/19/21, pp. 102-104. The Company stated that, generally, customers with smaller maximum demands benefit from taking service on Rate 30, and customers with larger maximum demands benefit from taking service on Rate 35. *Id.* If a customer's estimated bill savings meets the Company's threshold of approximately \$100 or more annually, Eversource will contact customers to provide them with information regarding the potential cost savings associated with switching rate classes and information on how to switch their rate. *Id.* Eversource noted that customers can also contact the Company and request that a most beneficial rate review be performed. In either scenario, the customer ultimately decides whether to remain on their current rate, or to switch to another business class rate. *Id.*

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<sup>15</sup> See Eversource's Rate 35 tariff, available at: [https://www.eversource.com/content/docs/default-source/rates-tariffs/ct-electric/rate-35-ct.pdf?sfvrsn=2824c062\\_18](https://www.eversource.com/content/docs/default-source/rates-tariffs/ct-electric/rate-35-ct.pdf?sfvrsn=2824c062_18).

<sup>16</sup> See Eversource's Rate 37 tariff, available at: [https://www.eversource.com/content/docs/default-source/rates-tariffs/ct-electric/rate-37-ct.pdf?sfvrsn=a24c062\\_18](https://www.eversource.com/content/docs/default-source/rates-tariffs/ct-electric/rate-37-ct.pdf?sfvrsn=a24c062_18).



### III. LEGAL STANDARD

Pursuant to the Take Back Our Grid Act, the Authority may consider the implementation of economic development rates for EDC customers, pursuant to its authority in Conn. Gen. Stat. § 16-19oo.

Section 16-19oo permits the approval of rate amendments for conservation and load management programs or programs promoting the state's economic development, energy, and other policy. The statute specifies in relevant part:

In order to promote an electric distribution, gas, telephone and water company's conservation and load management programs or other programs promoting the state's economic development, energy and other policy, the Public Utilities Regulatory Authority may approve rate amendments for any such company, pursuant to subsection (a) of section 16-19 or, upon the request of a company in a proceeding, other than a rate proceeding pursuant to said subsection.

Conn. Gen. Stat. § 16-19oo.

Pursuant to Conn. Gen. Stat. § 16-19kk(a), the General Assembly found that in order to further the implementation of conservation and load management programs, or other programs promoting the state's economic development, energy and other policy, the earnings of public service companies should be consistent with the principles and guidelines set forth in this section and sections 16-19e and 16-19ll to 16-19oo, inclusive, and 16a-49.

Pursuant to Conn. Gen. Stat. § 16-19e(3), the Authority and public service companies have an obligation to “perform all of their respective public responsibilities with economy, efficiency and care for public safety and energy security, and so as to promote economic development within the state with consideration for energy and water conservation, energy efficiency and the development and utilization of renewable sources of energy and for the prudent management of the natural environment.” Further, Conn. Gen. Stat. § 16-19e(4) provides “that the level and structure of rates be sufficient, but no more than sufficient, to allow public service companies to cover their operating costs including, but not limited to, appropriate staffing levels, and capital costs, to attract needed capital and to maintain their financial integrity, and yet provide appropriate protection to the relevant public interests, both existing and foreseeable[.]”

#### IV. AUTHORITY ANALYSIS

Through the instant proceeding, the Authority examined Eversource's Rate 30 tariff structure and composition of the rate class. The Authority also reviewed SolarConn's Motion No. 2 and the OCC's response to Motion No. 2. In addition, the Authority sought written comments from Parties and Intervenors on SolarConn's Motion No. 2 and the letter submitted by leadership of the General Assembly's E&T Committee. In conducting its review, the Authority considered whether a modification to Eversource's Rate 30 tariff, on an interim basis until the Company's next rate case proceeding, was appropriate pursuant to Conn. Gen. Stat. § 16-1900 and other statutory authority.

The Authority concludes that the development of optional Rate 27 and Rate 30 Riders that establishes a volumetric component (kWh) for the Distribution Service Rate, to be offered on an interim basis until the Company's next rate case proceeding, will benefit small business customers, is in the public interest, and is consistent with current practices and tariff offerings, the Take Back Our Grid Act, and PURA's statutory authority. Specifically, the Authority finds that the creation of optional, interim Rate 27 and Rate 30 Riders that establish both a volumetric rate and a demand charge component for the Distribution Service Rate is consistent with Connecticut law and public policy as it encourages economic development within the State by giving small businesses more control over their energy expenses. Small businesses will have the potential to reduce their electric bills by decreasing their kWh electricity consumption through reduced usage, employing conservation and energy efficiency measures, or by participating in the LREC/ZREC Program (or its successor). As discussed in the DEEP Letter in Lieu of a Brief dated April 8, 2021, and demonstrated in each annual review of the State's conservation and energy efficiency program,<sup>17</sup> such a reduction in both kW and kWh usage provides broad societal and energy benefits to Connecticut's ratepayers.

Accordingly, the Authority directs Eversource to develop the Rate 27 and Rate 30 Riders using the tariff rates provided on March 12, 2021, in Attachment 1 of the Company's response to CAE-11 (CAE-11 Rates). Eversource shall use the CAE-11 Rates for the Rate 30 Rider and shall calculate an on- and off-peak volumetric distribution rate for the Rate 27 Rider based off the CAE-11 Rates. Eversource shall use a methodology for calculating the on- and off-peak volumetric rates already employed for other Rate 27 rate components. The Authority directs the Company to provide such tariffs, and supporting calculations, in the instant proceeding on or before July 9, 2021. The Rate 27 and 30 Riders shall be provided as an optional tariff offering for all eligible new and existing customers of Rate 27 and Rate 30 no later than November 1, 2021. The Authority also directs Eversource to conduct outreach to all Rate 27 and Rate 30 customers beginning July 1, 2021, including providing a most beneficial rate review upon request, to ensure customers are aware of the optional, interim Rate 27 and 30 Riders and to promote the State's conservation and energy efficiency and renewable energy programs.

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<sup>17</sup> See 2021 Plan Update to the 2119-2021 Conservation and Load Management Plan, dated November 1, 2020, Appendix D, <https://portal.ct.gov/-/media/DEEP/energy/ConserLoadMgmt/FINAL-2021-Plan-Update-Filed-10302020.pdf>; see also 2020 Plan Update to the 2119-2021 Conservation and Load Management Plan, dated November 1, 2019, Appendix D, <https://portal.ct.gov/-/media/DEEP/energy/ConserLoadMgmt/Final-2020-Plan-Update-Text-11-1-19.pdf?la=en&hash=CABA7269C026532212943AF4C2F710BD>.

**A. COMPOSITION OF RATE 30**

Eversource provided a breakdown of the number of Rate 30 customer accounts by demand thresholds, revenue, and sales for calendar years 2017 through 2020. Eversource Response to Interrogatory CAE-1-RV01, Attachment 1. Table 2 below provides the 2020 data by demand thresholds, the number of accounts, distribution revenues, sales, and cents per kWh.

**Table 2**  
**Eversource Rate 30 Customers – Calendar Year 2020**

Demand (kW)	Number of Accounts	Annual Distribution Revenues	Annual Sales (kWh)	Cents Per kWh Equivalent
0-50	98,209	\$145,785,741	2,062,085,075	7.07
50-100	4,028	\$34,718,173	724,663,032	4.79
100-150	975	\$13,859,465	292,001,222	4.75
150-200	311	\$6,278,960	124,647,800	5.04

Eversource Response to Interrogatory CAE-1-RV01, Attachment 1.

A review of the Company's 2020 data shows that approximately 95% of Rate 30 customers have a demand threshold under 50 kW. Id. According to the Company, this sub-class of Rate 30 customers pay, on average, distribution charges equivalent to 7.07 cents per kWh. Id. 7.07 per kWh is approximately 40 - 49 % higher than Rate 30 customers with higher than 50 kW demand, whose average cents per kWh equivalent ranged from 4.75 to 5.04 cents per kWh. Id. This disparity between customers with demand under 50 kW compared to Rate 30 customers with higher maximum demands is consistent with similar data from 2017-2019. Id.

The Authority sought a further breakdown of the above data for Rate 30 customers with demand under 50 kW; see Table 3 below.

**Table 3**  
**Eversource Rate 30 Customers (0-50 kW) – Calendar Year 2020**

Customer Demand (kW)	Number of Accounts	Annual Distribution Revenues	Annual Sales (kWh)	Cents Per kWh Equivalent
0-2	29,162	\$15,490,747	59,414,717	26.07
2-5	17,635	\$14,330,965	133,032,415	10.77
5-10	20,356	\$25,678,360	302,202,006	8.30
10-25	22,617	\$51,277,919	810,865,020	6.32
25-50	8,439	\$39,007,750	749,570,917	5.20

Eversource Response to Interrogatory CAE-16, Attachment 1.

The data reflected in Table 3, consistent with Table 1, indicate that Rate 30 customers with smaller maximum demand are paying, on average, higher distribution charges on a cents per kWh equivalent basis than Rate 30 customers with a maximum demand of 50 kW or greater.

As illustrated in Table 1 in Section II.A., the distribution charge portion of Eversource's Rate 30 tariff was modified in 2015 to replace a combination of a per kWh volumetric charge and per kW demand charge to a strictly demand charge, among other changes. As the Company's most recent rate case proceeding resulted in an amended settlement agreement, the Company did not propose any changes to its Rate 30 rate design structure. Tr. 3/19/21, p. 74. The Authority reviewed the results from Eversource's most recent Cost of Service Study (COSS), originally filed in Docket No. 17-10-46. Eversource Late-Filed Exhibit 2, Attachment 1. Exhibit TRP-17 of the Company's COSS filed in Docket No. 17-10-46 provides distribution unit rates for Rate 27 and Rate 30 customer classes combined, which are calculated based on the assumed revenue requirements and billing determinants inputs. Tr. 3/19/21, pp. 75-81.

Table 4, below, provides an excerpt of the unit rates displayed in the COSS results for the Rate 27 and Rate 30 classes combined. The unit rates reflected in the COSS consist of a monthly customer charge, a demand charge (\$/kW), and a volumetric charge (cents/kWh). Id., p. 7. The demand charge and volumetric charge are mutually exclusive, meaning the COSS calculates a distribution rate applied as either a demand charge or a volumetric charge. Id., p. 84. However, Eversource also noted the demand charge component (\$/kW) of \$9.66 does not take into account the fact that the underlying rate structure for Rate 27 and Rate 30 does not apply demand charges to customers' first 2 kW of demand. Id., pp. 83-84.

**Table 4**  
**2017 Eversource COSS – Unit Rates Calculations for Rate 27 & Rate 30 Combined**

Customer Cost (\$/month)	Demand Cost (\$/kW)	Demand Cost (cents/kWh)
\$43.56	\$9.66	3.11

Eversource Late-Filed Exhibit 2, Attachment 1, p.7.

Eversource stated that it uses the COSS results as a guide when designing rates, but does not propose rate designs strictly based on the COSS results as a multitude of other inputs and assumptions are required for rate design calculations. Tr. 3/19/21, pp. 76-77.

Eversource's Rate 30 customer class encompasses a wide range of customers with diverse usage characteristics, whereby the same distribution rate structure is applied to a customer with 5 kW of demand as a customer with 100 kW of demand. As noted above, roughly 95% of all Rate 30 customers have a maximum demand of 50 kW or less. Of the Rate 30 customers, those with much smaller demand (e.g., customers with demand between 0 and 2 kW) represent loads such as small, roadside telecommunications equipment and common area load in multi-family and other tenant buildings (e.g., lighting). Tr. 3/29/21, pp. 191-192. For customers with demand in excess

of 50 kW, the design of Distribution Service Charge for Rate 35 is such that it may be beneficial for these larger customers to move from Rate 30 to Rate 35 (see Table 5),<sup>18</sup> particularly for those customers with higher utilization rates (e.g., higher kWh usage for a given level of kW demand) as the Rate 35 volumetric rates are roughly 8% below the current Rate 30 volumetric rates (see Table 6). However, multiple reasons exist for Rate 30 customers that have a demand higher than 50 to remain on Rate 30, including the “demand ratchet” component of Rates 35 and 37 whereby the distribution charge is calculated based on the customer’s highest demand in the most recent 12-month period instead of the current billing month as with Rate 30. Tr. 3/29/21, p. 185.

**Table 5<sup>19</sup>**  
**Illustrative Example of Monthly Customer Distribution Service Rate Expense at Various Levels of kW Demand**

Rate	20 kW	30 kW	40 kW	50 kW
30	\$305.36	\$450.56	\$595.76	\$740.96
35	\$447.20	\$535.80	\$624.40	\$713.00

**Table 6**  
**Current Volumetric Delivery Charges (\$/kWh) for Rates 30 and 35**

	Rate 30 <sup>20</sup>	Rate 35 <sup>21</sup>
Revenue Adjustment Mechanism	-\$0.00011	-\$0.00011
Systems Benefits Charge	\$0.00101	\$0.00050
Conservation Adjustment Mechanism	\$0.00525	\$0.00525
Renewable Energy	\$0.00100	\$0.00100
FMCC Delivery Charge	\$0.01412	\$0.01298
<b>Total</b>	<b>\$0.02127</b>	<b>\$0.01962</b>
		-7.8%

<sup>18</sup> As Table 5 shows, customers with monthly kW demand above approximately 50 kW would benefit financially from switching to Rate 35. As Eversource’s testimony suggests, this conclusion is highly dependent on the consistent nature of the customer’s monthly demand. Tr. 3/29/21, pp. 180-185.

<sup>19</sup> For Rate 30, monthly Distribution Service Rate expense was calculated by adding the Customer Charge (\$44) with the Demand Charge (\$14.52 times kW, e.g., 20, 30, 40, etc.). For Rate 35, monthly Distribution Service Rate expense was calculated by adding the Customer Charge (\$270) with the Demand Charge (\$8.86 times kW, e.g., 20, 30, 40, etc.).

<sup>20</sup> See Eversource’s Rate 30 tariff, available at: [https://www.eversource.com/content/docs/default-source/rates-tariffs/ct-electric/rate-30-ct.pdf?sfvrsn=5f24c062\\_18](https://www.eversource.com/content/docs/default-source/rates-tariffs/ct-electric/rate-30-ct.pdf?sfvrsn=5f24c062_18).

<sup>21</sup> See Eversource’s Rate 35 tariff, available at: [https://www.eversource.com/content/docs/default-source/rates-tariffs/ct-electric/rate-35-ct.pdf?sfvrsn=2824c062\\_18](https://www.eversource.com/content/docs/default-source/rates-tariffs/ct-electric/rate-35-ct.pdf?sfvrsn=2824c062_18).

Based on the foregoing (specifically the above section and Section II.), the Authority finds that alternative rate structures are currently available to customers eligible for Rate 30 (Rates 27, 35, and 37; See Section II.) and that the Company currently takes measures to encourage customers to switch to the rates most financially beneficial to each customer. However, those alternatives are only a viable option for a small portion of Rate 30-eligible customers. Generally speaking, Rate 30-eligible customers that have the ability based on their type of business and level of sophistication to respond to intraday price signals may find it beneficial to switch to Rate 27 or Rate 37, as both include time-of-use rate structures, but neither include volumetric distribution rates despite other volumetric rate components. Similarly, Rate 30-eligible customers with consistent monthly peak demand over 50 kW and/or a high utilization rate, may find it beneficial to switch to Rate 35. All other Rate 30-eligible customers effectively have no alternatives. While Rates 27, 35, and 37 theoretically exist for all Rate 30-eligible customers, they are only realistic options for customers with flexible load (to respond to intraday price signals), relative sophistication regarding intraday energy consumption, and a relatively high utilization rate. These criteria skew towards larger Rate 30-eligible customers, as many small businesses inherently lack the ability to shift load away from the best hours of operation for their businesses or to change their consumption patterns in a way that would make Rate 35 a viable alternative. Said another way, larger Rate 30-eligible customers enjoy more tariff options than smaller Rate 30-eligible customers with peak demand below 50 kW, which represent the vast majority of Connecticut small businesses in Eversource's service territory.<sup>22</sup>

Further, comparing Table 2 with Table 4 shows that this same group of Connecticut small businesses (i.e., Rate 30 customers with peak load below 50 kW) pay more than twice the \$ per kWh calculated for Rate 27 and Rate 30 in the Company's most recent COSS (\$0.0707 per kWh compared to \$0.0311 per kWh). Admittedly, such a comparison inherently discounts the justification used when designing the current rate structure. However, the fact remains that had Rate 30 been designed with only a volumetric rate (\$/kWh) instead of only a demand charge (\$/kW), as the COSS could be used to do, Rate 30 customers with peak load below 50 kW would be charged significantly less than they currently are.

## **B. OTHER DISTRIBUTION RATE STRUCTURES**

UI's General Service (GS) business customer class is comparable to Eversource's Rate 30. Rate GS has a non-demand category for customers who consume 1,560 kWh or less per monthly billing period, which is similar to Rate 30's demand charge of \$0.00 per kW for the first 2 kW of customer demand. UI Response to Interrogatory CAE-17. UI's Rate GS has seasonally differentiated rates for the transmission and non-bypassable

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<sup>22</sup> For a review of the energy challenges facing small businesses, See: Why Is Improving the Efficiency of Small Businesses So Challenging, GreenTech Media, dated December 28, 2016, <https://www.greentechmedia.com/articles/read/why-is-improving-the-efficiency-of-small-businesses-so-challenging>; A Troubling Trend in Rate Design: Proposed Rate Design Alternatives to Harmful Fixed Charges, Southern Environmental Law Center, dated December 2015, [https://www.southernenvironment.org/uploads/news-feed/A\\_Troubling\\_Trend\\_in\\_Rate\\_Design.pdf](https://www.southernenvironment.org/uploads/news-feed/A_Troubling_Trend_in_Rate_Design.pdf); and, Big Opportunities for Small Business: Successful Practices of Utility Small Commercial Energy Efficiency Programs, American Council for an Energy-Efficient Economy, dated November 2016, <https://www.aceee.org/sites/default/files/publications/researchreports/u1607.pdf>.

FMCC rate components, whereas Eversource's Rate 30 has a flat rate throughout the year. *Id.* Table 7 compares the distribution rates included in UI's GS tariff for customers who consume more than 1,560 kWh in a month with Rate 30.

**Table 7**  
**Comparison of Eversource's Rate 30 to UI's GS Tariff**

	<b>Eversource Rate 30</b>	<b>UI<sup>23</sup> (&gt; than 1560kWh)</b>
Customer Charge	\$44.00	\$52.30
kWh Rate (\$/kWh)	N/A	\$0.013622
kW Rate (\$/kW)	\$14.52	\$11.34

Table 7 shows that the distribution charges in UI's GS tariff include both a volumetric rate and demand charge, whereas Eversource's Rate 30 only includes a demand charge for distribution charges. As such, the distribution-related demand charge included in UI's GS tariff is lower than the comparable distribution-related demand charge in Eversource's Rate 30.

Further, the Office of Consumer Counsel (OCC) noted:

Eversource's sister companies in other states have demand thresholds below which customers do not pay demand charges, but pay only a customer charge and a per-kWh charge. For example, in the Boston area, Eversource Massachusetts's Rate G-1 applies to customers with peak demands of less than 10 kW. That rate contains no demand charge. Similarly, Eversource New Hampshire's Rate G applies to a wide range of businesses with demands less than 100 kW. Customers with a peak demand less than 5 kW do not pay any demand charge. In Connecticut, however, Eversource's Rate 30 applies to customers with demands up to 200 kW, and only the very smallest customers -- those with peak demands less than 2 kW -- are exempt from paying a demand charge.

OCC Written Comments, dated January 19, 2021, p. 5.

Indeed, a review of rates in Eversource's other jurisdictions with similar customer load eligibility requirements as Rate 30 reveals that some form of a volumetric distribution

<sup>23</sup> See UI's GS tariff, available at: [https://www.uinet.com/wps/wcm/connect/www.uinet.com-7188/946ee6e6-dbbc-40c9-9d7a-592a84099406/13+Rate+GS.pdf?MOD=AJPERES&CACHEID=ROOTWORKSPACE.Z18\\_J092I2G0N01BF0A7QAR8BK20A3-946ee6e6-dbbc-40c9-9d7a-592a84099406-nyiVMqC](https://www.uinet.com/wps/wcm/connect/www.uinet.com-7188/946ee6e6-dbbc-40c9-9d7a-592a84099406/13+Rate+GS.pdf?MOD=AJPERES&CACHEID=ROOTWORKSPACE.Z18_J092I2G0N01BF0A7QAR8BK20A3-946ee6e6-dbbc-40c9-9d7a-592a84099406-nyiVMqC).



rate is in place for small business customers in New Hampshire,<sup>24</sup> Western Massachusetts,<sup>25</sup> and Eastern Massachusetts.<sup>26</sup>

### C. ENABLING GREATER CUSTOMER CONTROL OVER THEIR ELECTRIC BILL

Electric utility bills often represent a significant expense for small businesses, municipalities, schools, and other non-residential utility customers, which has been exacerbated for many customers by the economic impacts associated with COVID-19. In a letter submitted in this proceeding, the E&T Committee leadership stressed “the importance of considering targeted relief for Connecticut’s small business community given the devastating impacts of the ongoing health emergency” and requested that PURA “consider the implementation of an interim revised tariff for customers currently under Eversource Rate 30... [as it] has led to many of our State’s small businesses receiving wildly-high bills despite being closed or operating at reduced hours during the COVID-19 pandemic.” E&T Committee Correspondence dated 12/17/20, p. 1. In short, the E&T Committee asserts that given the absence of a volumetric distribution rate, customers taking service on Rate 30 must still pay fixed distribution demand charges even if they reduce their total kWh usage significantly and, as highlighted above, those distribution demand charges have continued to increase in recent years. Indeed, prior to the establishment of the instant proceeding, the Authority was aware of customer complaints received by its Consumer Affairs Unit, which support E&T Committee’s claim that many non-residential customers experienced unexpectedly high bills over the last year despite lowering their kWh consumption. The E&T Committee also observed that Eversource’s current Rate 30 structure inhibits small business customers from mitigating their electric expenses by participating in the State’s distributed energy resource programs, due to “high fixed charges”. *Id.* Moreover, with the passage of the Take Back Our Grid Act, the General Assembly explicitly encouraged PURA to consider the development of an interim rate decrease and economic development rates, the latter of which has direct implications on and to the rate design of existing non-residential tariffs.

In its April 8, 2021 letter, DEEP appears to agree, in part, with the E&T Committee’s assertion that demand charges can have an outsized impact on smaller, non-residential customers, stating that “high fixed costs can have a higher impact on low-energy use customers.” DEEP Letter in Lieu of a Brief dated April 8, 2021, p. 2. The Authority agrees. As noted in Section IV.A., many small businesses have neither the ability nor the expertise to respond to intraday price signals. This is doubly true for mitigating demand charges, which requires an understanding of both inter- and intraday consumption patterns. Ultimately, these smaller, non-residential customers are typically better able to respond to volumetric price signals (i.e., to reduce their kWh consumption overall) than other price signals.

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<sup>24</sup> See Eversource’s Rate G, General Service, New Hampshire, *available at* p. 3: [https://www.eversource.com/content/docs/default-source/rates-tariffs/nh-summary-rates.pdf?sfvrsn=2947c862\\_12](https://www.eversource.com/content/docs/default-source/rates-tariffs/nh-summary-rates.pdf?sfvrsn=2947c862_12).

<sup>25</sup> See Eversource’s Rate G-0 Small General Service rates, Western Massachusetts, *available at* p.1: [https://www.eversource.com/content/docs/default-source/rates-tariffs/ma-electric/2-tariff-ma.pdf?sfvrsn=779dc462\\_33](https://www.eversource.com/content/docs/default-source/rates-tariffs/ma-electric/2-tariff-ma.pdf?sfvrsn=779dc462_33).

<sup>26</sup> See Eversource’s rates A9 – General, B1 – General, and B2 – General, Eastern Massachusetts, *available at* pp. 2-3: [https://www.eversource.com/content/docs/default-source/rates-tariffs/ema-greater-boston-rates.pdf?sfvrsn=c27ef362\\_50](https://www.eversource.com/content/docs/default-source/rates-tariffs/ema-greater-boston-rates.pdf?sfvrsn=c27ef362_50).



DEEP also stated that, in general, “volumetric charges are shown to incent energy efficiency, and the greater the fixed cost within a rate structure, the less motivated a customer will be to lower their energy usage.” DEEP Letter in Lieu of a Brief dated April 8, 2021, p. 2. The Authority agrees. The Conservation and Load Management (C&LM) Plan, over which DEEP has oversight, has consistently demonstrated the energy and societal benefits of both reduced kW and kWh associated with Connecticut’s conservation and load management programs; rate designs that encourage the reduction in both demand and overall kWh consumption only helps to further realize those benefits. In its letter, DEEP states:

While C&LM offerings directly benefit participants energy efficiency programs indirectly benefit all Connecticut residents...It reduces strain on the electric grid and defers the need for new generation infrastructure or upgrades. By deferring the allocation of new generation resources, utilities can prevent unnecessary rate increases for all customers. Additionally, by driving down demand, energy efficiency programs can bring Connecticut closer to its decarbonization goals. Participation in C&I efficiency programs in 2020 alone provided 82,133 tons of annual carbon dioxide emissions reductions and 952,749 tons of lifetime emissions reductions. Cleaner air resulting from Connecticut’s energy efficiency and clean energy programs deferred over \$5 million in public health costs last year.

DEEP Letter in Lieu of a Brief dated April 8, 2021, p. 2.

Additionally, establishing rate designs that “promote an electric distribution, gas, telephone and water company’s conservation and load management programs” is permitted under Conn. Gen. Stat. § 16-19oo, and is further enabled and encouraged through Conn. Gen. Stat. §§ 16-19kk(a) and § 16-19e(3).

While the impact of the COVID-19 pandemic has eased in recent months, it remains an important policy objective to provide support to Connecticut’s small businesses particularly as they work to recover from the impacts of the global health emergency. While the COVID-19 pandemic put the concerns with Rate 30 raised by the E&T Committee in stark contrast, the issues raised were not unique to last year. As such, the Authority believes that it is necessary and appropriate to address these pervasive concerns at this time so that such issues do not persist or inhibit the State’s small businesses as they attempt to recover from the COVID-19 pandemic. As outlined above, addressing these concerns by providing Connecticut’s small businesses with greater control over their energy expenditures via a tariff with a volumetric distribution rate will also help deliver energy and societal benefits through reduction in kWh consumption and by promoting the State’s conservation and load management programs.

#### **D. IMPACT OF RATE 30 ON CUSTOMERS PARTICIPATING IN THE LREC/ZREC PROGRAM**

Throughout the proceeding, SolarConn asserted that the current Eversource Rate 30 structure adversely impacts Rate 30 customers participating in the LREC/ZREC Program. SolarConn noted affected customers include small businesses, schools, and municipal buildings. Tr. 3/19/21, p. 16. As is illustrated in Table 1, in 2015, Eversource modified its Rate 30 rate design structure to eliminate the volumetric component of the distribution charge, thereby doubling the distribution demand charge. As a result,

SolarConn contends that the current Rate 30 tariff disincentivizes customers from participating in the small ZREC Program as customers' ability to reduce their electric bill is limited due to the distribution rate design (i.e., a customer and demand charge, without a volumetric component).

SolarConn advocated for PURA to establish an optional, "opt-in" "Rate 3X Tariff" to implement a rate design similar to the corresponding rates in effect prior to the Authority's Decision dated December 17, 2014, in Docket No. 14-05-06 for customers currently on Rates 30, 35, 37, and 39. Motion No. 2, p. 3. Alternatively, SolarConn proposed that the Authority direct Eversource to allow new and existing customers to take service on Rate 40, Small Church and School Electric Service, which does not have a distribution demand charge component.<sup>27</sup> SolarConn Brief dated April 8, 2021, p. 2. SolarConn asserts that its proposed modifications will "make electricity more affordable for mostly small commercial ratepayers, including municipalities, keep the Authority's promise to existing ZREC Projects that they will see the benefits of the Project for 15 years, reduce the overall costs of the ZREC program on all ratepayers and spur economic development." SolarConn Brief dated April 8, 2021, p. 2.

SolarConn provided one example of a Rate 30 customer's electric bill with a solar PV system to illustrate the impact of the change in the Rate 30 rate structure on customers participating in the LREC/ZREC Program. SolarConn Response to Late-Filed Exhibit 1. Table 8 below includes the volumetric and demand components of the Distribution Service Rate and shows the percentage bill increase for each bill statement compared to rates when the solar PV system was first installed (2013) on a levelized basis (i.e., applying the same 28.9kW demand amount for each billing statement in order to produce an accurate bill comparison, as each billing statement was for a different month and included different demand amounts).

**Table 8**  
**Example of a Rate 30 Customer's Distribution Charges, 2013 – 2021**

Bill Statement Date	Actual Billed Demand (kW)	Actual Distribution Charges	Levelized Distribution Charges (assumes 05/13 demand of 28.9 kW)	Distribution Charge % Change (from 05 / 2013)
5/22/13	28.9	\$ 354.56	-	-
4/24/17	24.6	304.30	\$357.49	0.8%
12/23/19	35	489.30	\$404.02	13.9%
02/23/21	36.4	528.53	\$419.63	18.4%

SolarConn Response to Late-Filed Exhibit 1.

Ultimately, Table 8 illustrates how distribution charges have increased for this customer by nearly 20%, despite the customer significantly reducing its total kWh consumption. While this is only one solar customer example, with limited data points, it

<sup>27</sup> See Eversource's Rate 40 tariff, available at: [https://www.eversource.com/content/docs/default-source/rates-tariffs/ct-electric/rate-40-ct.pdf?sfvrsn=ca25c062\\_18](https://www.eversource.com/content/docs/default-source/rates-tariffs/ct-electric/rate-40-ct.pdf?sfvrsn=ca25c062_18).

echoes the assertions made by SolarConn during this proceeding and the broader concerns raised by the E&T Committee regarding the current structure of Rate 30 inhibiting small business customers' ability to mitigate electric expenses through distributed energy resource programs.

## **E. DETERMINATION**

In summary, the Authority finds that alternatives to Rate 30 exist for a subset of Connecticut's small businesses and that the Company actively encourages customers to switch to the most beneficial rates to customers. However, despite the existence of various options for *some* customers, the vast majority of Connecticut's small businesses realistically have no such options. Further, the same small businesses that are unable to take advantage of the options afforded to others pay significantly more per kWh than customers that are more likely to benefit from those other options (i.e., Rate 30-eligible customers with demand in excess of 50 kW) and more than twice the volumetric rate calculated for Rate 30 customers in the most recent COSS.

The Authority also concludes that a distribution rate structure that combines volumetric and demand charges is utilized by UI in Connecticut and by Eversource in its other service territories for small business customers that meet the load requirements of Rate 30. The Authority finds that utilizing a rate design in constructing distribution rates for small businesses that overly relies on demand charges can result in unexpectedly high bills for small businesses that may have difficulty responding to demand charge price signals, and that such rate designs also discourage participation in existing programs for distributed energy resources. Conversely, the Authority concludes that small businesses are more likely to respond to kWh price signals, providing small businesses with greater control of their energy expenses, which supports the policy objective of promoting economic development and can yield positive energy and societal benefits through reduced kWh consumption and participation in the State's conservation and load management and LREC/ZREC programs, as authorized by Conn. Gen. Stat. §§ 16-190o, 16-19kk(a), and 16-19e(3).

Last, while the impact of the COVID-19 pandemic has eased in recent months, it remains an important policy objective to provide support to Connecticut's small businesses, particularly as the State's small businesses attempt to recover from the COVID-19 pandemic.

Based on the foregoing, the Authority finds that the establishment of interim opt-in Rate 27 and Rate 30 Riders that consist of a volumetric distribution component may provide a beneficial alternative for many existing Rate 27 and Rate 30 customers, particularly those customers who are not eligible to take service under Rate 35 or Rate 37. The Authority further finds that providing such optional tariffs is in the public interest, and is consistent with current practices and tariff offerings, the Take Back Our Grid Act, and PURA's statutory authority.

The Authority will consider more permanent changes to the rate design of Rate 27 and Rate 30 in the Company's next rate case.

## **1. Methodology for Developing the Rate 30 Rider**

The Authority directs Eversource to develop revenue neutral interim Rate 27 and Rate 30 tariff rate riders. The riders will be available to all customers eligible for Rates 27 and 30 on a forward-looking basis only beginning November 1, 2021. Existing Rate 27 and Rate 30 customers who are satisfied with the existing Rate 27 and Rate 30 tariff design may remain under the Company's current tariff offering.

Specifically, the Authority directs Eversource to develop the Rate 27 and Rate 30 Riders using the CAE-11 Rates. For the Rate 30 Rider, Eversource shall adopt the CAE-11 Rates. For the Rate 27 Rider, Eversource shall use the CAE-11 Rates to calculate an on- and off-peak volumetric distribution rate. In calculating the on- and off-peak volumetric distribution rate for the Rate 27 Rider, Eversource shall use a methodology that it currently employs for calculating other Rate 27 volumetric rate components. The Authority directs the Company to provide the complete rates and tariffs, and supporting calculations, for both the Rate 27 and Rate 30 Riders in the instant proceeding on or before July 9, 2021. Such filing shall be accompanied by a brief narrative description of how the on- and off-peak volumetric distribution rate was calculated for the Rate 27 Rider.

## **2. Customer Education on Optional Rate 30 Rider**

Given that the interim Rate 27 and Rate 30 Riders shall be offered on an optional, or opt-in basis, customer outreach is critical. Notably, Eversource already has a process for proactively performing a comparative bill analysis for existing customers taking service on Rate 30 to determine if the customer would benefit from switching to another rate. Tr. 3/19/21, pp. 102-104. The Authority finds that a similar process for performing a comparative bill analysis for customers with demand between 2 kW and 50 kW could be used to provide customer outreach to individual businesses on the interim Rate 30 tariff rate rider. However, other outreach options may provide efficiencies, and new Rate 30 small business customers must also be offered an opportunity to opt-in.

Therefore, the Authority directs the Company to propose a customer outreach approach for its new and existing Rate 30 small business customers. Such approach shall include: (1) outreach to all existing Rate 27 and Rate 30 customers by September 1, 2021; (2) conducting an analysis of which customers may benefit from the optional rate riders on or before September 1, 2021; and (3) providing promotional materials for the State's energy efficiency and renewable energy programs to current Rate 27 and Rate 30 customers. The Authority directs Eversource to provide a narrative that explains how it intends to notify existing Rate 30 customers about the interim Rate 30 tariff rate rider and address how it plans to proactively work with new and existing customers to ensure that customers select the best tariff option by July 9, 2021.

Last, the Authority directs Eversource to update its website on or before July 1, 2021, to indicate that an optional Rate 27 and Rate 30 Rider will be available starting November 1, 2021. Eversource shall allow customers to "sign-up" for these tariff riders ahead of their effective date of November 1, 2021. The Company's website shall clearly indicate that eligible customers may sign-up for the Rate 27 and Rate 30 Riders before November 1, 2021.

## **V. CONCLUSION AND ORDERS**

### **A. CONCLUSION**

The Authority concludes that the development of optional Rate 27 and Rate 30 Riders that establishes a volumetric component (kWh) for the Distribution Service Rate, to be offered on an interim basis until the Company's next rate case proceeding, will benefit small business customers, is in the public interest, and is consistent with current practices and tariff offerings, the Take Back Our Grid Act, and PURA's statutory authority. Accordingly, the Authority directs Eversource to use the Company's response to CAE-11 to calculate the rate for both tariff riders. No later than July 9, 2021, Eversource shall submit the Rate 27 and Rate 30 Rider tariffs, and supporting calculations, to the Authority for approval. The Rate 27 and Rate 30 Riders shall be provided as an optional tariff offering for all eligible new and existing customers of Rates 27 and 30 no later than November 1, 2021. The Authority also directs Eversource to conduct outreach to all Rate 27 and Rate 30 customers, including providing a most beneficial rate review upon request, to ensure customers are aware of the optional, interim Rate 27 and Rate 30 Riders.

### **B. ORDERS**

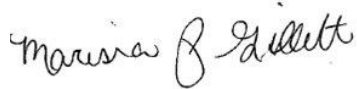
For the following Orders, file an electronic version through the Authority's website at [www.ct.gov/pura](http://www.ct.gov/pura). Submissions filed in compliance with the Authority's Orders must be identified by all three of the following: Docket Number, Title, and Order Number. Compliance with orders shall commence and continue as indicated in each specific Order or until the Company requests and the Authority approves that the Company's compliance is no longer required after a certain date.

1. No later than July 1, 2021, Eversource shall update its website to indicate that an optional Rate 27 and Rate 30 Rider will be available starting November 1, 2021. Eversource shall allow customers to "sign-up" for these tariff riders ahead of their effective date of November 1, 2021. The Company's website shall clearly indicate that eligible customers may sign-up for the Rate 27 and Rate 30 Riders before November 1, 2021.
2. No later than July 9, 2021, the Company shall provide the complete rates and tariffs, and supporting calculations, for the interim Rate 27 and Rate 30 Riders using the tariff rates provided on March 12, 2021 in Attachment 1 of the Company's response to CAE-11 (CAE-11 Rates). For the Rate 30 Rider, Eversource shall adopt the CAE-11 Rates. For the Rate 27 Rider, Eversource shall use the CAE-11 Rates to calculate an on- and off-peak volumetric distribution rate. In calculating the on- and off-peak volumetric distribution rate for the Rate 27 Rider, Eversource shall use a methodology that it currently employs for calculating other Rate 27 volumetric rate components. Such filing shall be accompanied by a brief narrative description of how the on- and off-peak volumetric distribution rate was calculated for the Rate 27 Rider.

3. No later than July 9, 2021, Eversource shall provide a narrative that explains how it intends to notify existing Rate 27 and Rate 30 customers about the interim Rate 27 and Rate 30 tariff rate riders and addresses how it plans to proactively work with new and existing customers to ensure that customers select the best tariff option, as directed in Section IV.E.2.
4. No later than November 1, 2021, Eversource shall offer the Rate 27 and Rate 30 Riders, as established herein, to eligible customers on an interim basis, until the Authority approves Eversource's rate schedules in the Company's next rate case proceeding.
5. In the 2022 Rate Adjustment Mechanism (RAM) proceeding and in any application proposing adjustments to the Revenue Decoupling Mechanism (RDM) until the Company's next rate case, Eversource shall clearly identify in a separate and distinct filing the following for the relevant period: the authorized revenue requirement for Rate 27 and Rate 30; the actual revenue collected from Rate 27 and Rate 30 customers; the actual revenue collected from customers on the optional, opt-in Rate 27 and Rate 30 Riders; and, the aggregate monthly load of the customers that moved to either tariff rate rider and the tariff from which the customer moved. Such filing shall clearly indicate the total revenue collected from all customers on Rate 27 and Rate 30 and the Rate 27 and Rate 30 Riders.

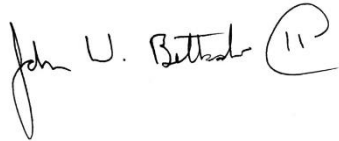
DOCKET NO. 17-12- PURA INVESTIGATION INTO DISTRIBUTION SYSTEM  
03RE011 PLANNING OF THE ELECTRIC DISTRIBUTION  
COMPANIES - NEW RATE DESIGNS AND RATES  
REVIEW

This Decision is adopted by the following Commissioners:



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Marissa P. Gillett



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John W. Betkoski, III



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Michael A. Caron

CERTIFICATE OF SERVICE

The foregoing is a true and correct copy of the Decision issued by the Public Utilities Regulatory Authority, State of Connecticut, and was forwarded by Certified Mail to all parties of record in this proceeding on the date indicated.



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Jeffrey R. Gaudiosi, Esq.  
Executive Secretary  
Public Utilities Regulatory Authority

June 23, 2021

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Date