# PURA 2024 ANNUAL REPORT EXECUTIVE SUMMARY



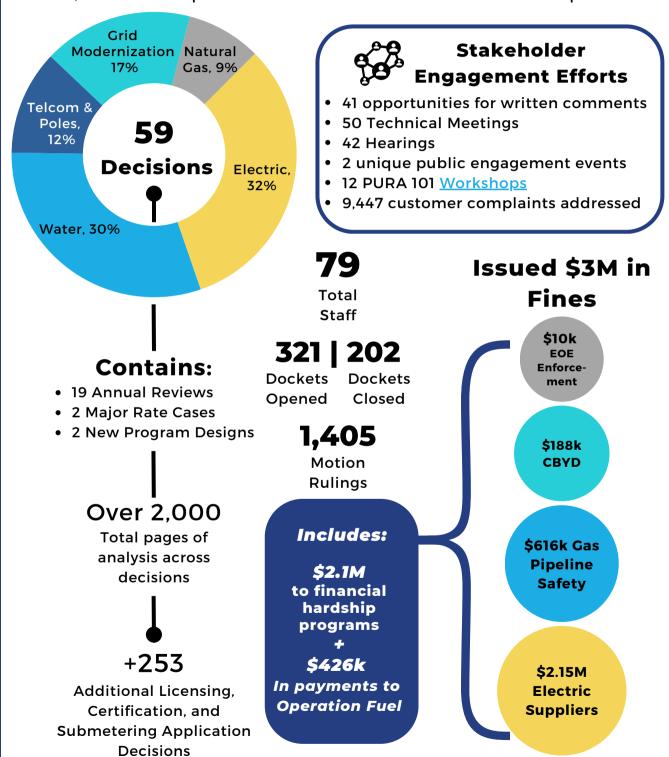
Since 2011, legislative directives have shaped the evolving responsibilities of the Connecticut Public Utilities Regulatory Authority (Authority or PURA). In addition to its statutory mission to ensure that Connecticut's investor-owned electric, natural gas, and water utilities provide safe, clean, reliable, and affordable service, PURA also now oversees programs, policies, and tariff designs that advance the state's energy, economic, and climate goals. Given the growing importance of enhancing utility service and realizing the state's climate goals, transparent communications and accessible stakeholder resources have increasingly become a necessity.

To incorporate a wide range of perspectives in this critical work, the General Assembly passed Public Act 23-102 which directed the Authority to establish a program to provide compensation to underrepresented stakeholder groups for participating in PURA processes. PURA also offers a number of public resources available to stakeholders through the release of its Quarterly Newsletters, rate case video series, livestreamed events, PURA 101 Workshops, and this report (Annual Report or Report). Each of these resources are important tools for increasing stakeholder engagement with and awareness of ongoing and future proceedings before the Authority. As a quasi-judicial agency, PURA can only make decisions based on the record evidence placed before it. The Authority's decisions, therefore, are made more robust with increased participation awareness and from diverse stakeholders.

The Annual Report provides a summary of the work completed by the Authority in 2024 and is designed to promote public awareness and understanding. In particular, the Annual Report provides both quantitative metrics on the Authority's work this past year, as well as abridged versions of key decisions across all of the industries regulated by PURA. Key information and developments from each section of this 2024 PURA Annual Report are summarized below.

# **2024 BY THE NUMBERS**

Metrics and data tracking are essential tools to understanding trends and progress. The below are key quantitative statistics related to PURA's work product and other activities in 2024, included to help stakeholders better understand PURA's roles & responsibilities.



## **Rate Cases**

One of the Authority's core functions is regulating the distribution rates of Connecticut's investor-owned electric, natural gas, and water utility companies. The rate amendment proceedings through which distribution rates are reviewed is the primary tool to ensure that the resulting rates are just, necessary, and reasonable. They are also the best tool regulators have to ensure utility costs are contained from a long-term perspective and that the utilities are being managed with efficiency and care. In 2024, the Authority completed two rate cases covering three companies; one for the Connecticut Water Company and the other for both of Avangrid's gas companies, The Southern Connecticut Gas Corporation and the Connecticut Natural Gas Company. The Authority also currently has two active rate cases before it that launched in 2024; one for the United Illuminating Company and another for Yankee Gas Company.

Rate Cases Completed in 2024:	Dkt. No 23-11-02 CNG	<b>Dkt. No. 23-11-02</b> SCG	Dkt. No. 23-08-32 CWC
Customers	186,000	208,000	110,000
Requested Revenue Requirement	\$461,815,765	\$479,242,959	\$140,000,875
Requested ROE	10.2%	10.2%	10.5%
Approved Annual Revenue Requirement	\$417,502,324	\$425,288,190	\$124,700,031
Approved ROE	9.15%	9.15%	9.3%

Active Rate Cases	Dkt. No 24-12-01 Yankee Gas	Dkt. No. 24-01-04 United Illuminating
Statutory Deadline for Decision	October 28, 2025	October 18, 2025
Public Comment Opportunities	1 held; 2 more scheduled	1 held; 2 more scheduled
Evidentiary Hearing Dates	May 29, 2025 - June 11, 2025	April 28, 2025 - May 9, 2025
Customers	252,300	345,000

# **Performance-Based Regulation**

At both the national and state levels, the scope of utility regulation continues to evolve toward supporting the cost-effective achievement of certain public policy goals. States across the country are implementing policies and programs to reduce greenhouse gas emissions and to modernize electric distribution systems. In recognition of these trends, the General Assembly enacted Public Act 20-5, An Act Concerning Emergency Response by Electric Distribution Companies, The Regulation of Other Public Utilities and Nexus Provisions for Certain Disaster-Related or Emergency-Related Work Performed in The State (Take Back our Grid Act) in 2020. This landmark bipartisan legislation required PURA to, among other things, initiate a proceeding to research and consider financial, performance-based incentives, penalties, and metrics to use in regulating the EDCs (Performance-Based Regulation or PBR).

In 2023, the Authority issued a Phase 1 decision that established the official goals and priority outcomes of PBR, and launched Phase 2 of PBR, creating three reopener dockets, each investigating a specific regulatory mechanism used in PBR:

- <u>Docket No. 21-05-15RE01</u>: Revenue Adjustment Mechanisms
- Docket No. 21-05-15RE02: Performance Mechanisms
- Docket No. 21-05-15RE03: Integrated Distribution System Planning

In 2024, PURA continued to advance PBR at an ambitious pace. Through these three Phase 2 proceedings,

the Authority continues to hold robust conversations and collaborate with stakeholders to streamline and/or refine elements of the existing regulatory framework, develop incentive mechanisms to better address specific objectives or areas of utility performance, and implement other improvements to the regulatory framework that meet the goals and outcomes established in Phase 1. The Authority created significant opportunities for stakeholder input throughout 2024, including numerous technical meetings, working group meetings, written comment opportunities, interrogatories, and at least a dozen "roundtable" discussions. This collaborative work will continue throughout 2025.

It is the Authority's intent that, upon completion of these reopeners, the EDCs' financial incentives and revenue mechanisms will more accurately reflect their performance in achieving financial and public policy outcomes that provide a public benefit to ratepayers, and Connecticut as a whole.

## **Electric Sector**

The Electric Sector is the largest industry regulated by PURA with over \$2.5 billion annually in distribution revenue under the Authority's jurisdiction. Though PURA only regulates two electric distribution companies, Eversource and United Illuminating, together they serve more than 1.5 million customers, representing over 90% of the state's electric

## **Major Decisions**

Docket No. 24-01-03

Eversource's 2025 rate adjustments for expenses incurred in 2023.

Docket No. 24-01-04

United Illuminating's 2025 rate adjustments for expenses incurred in 2023.

ratepayers. Given the scale of this sector, transparent and efficient regulatory mechanisms that ensure safe, affordable, and reliable electric service are essential. In 2024, PURA completed annual RAM proceedings for both Eversource and United Illuminating, worked with key stakeholders to improve emergency event planning and response, and continued to enforce the regulatory and legal guardrails around the recovery of storm costs by utilities.

## **Natural Gas Sector**

In addition to its rate-making and economic regulatory functions pertaining to the state's natural gas distribution companies, the Authority also oversees the safety of all in-state natural gas pipelines. Specifically, the Authority facilitates a gas pipeline inspection program to ensure compliance with state and federal safety standards and regulations, and the Call Before You Dig (CBYD) program to prevent accidental damage to pipelines.

In 2024, consistent with its ongoing commitment to ensuring safety of the gas pipeline system, PURA continued efforts to modernize Connecticut's gas pipeline safety regulations, which have not previously been revised since the 1960s. There have been significant changes in the gas industry since that time, including the materials and equipment used, and the processes for installing and maintaining gas distribution systems. Additionally, there is now increased prioritization on the enhanced public safety and reduced environmental impact of gas distribution systems.

- 456 Pipeline Safety Inspection Person-Days
- **746** CBYD Inspections
- 68 Violations Found
- **\$616k** Civil Penalties Issued

## **Major Decisions**

Docket No. 23-07-21

Issues final proposed regulations updating Connecticut's gas pipeline safety regulations for the first time since the 1960s.

Docket No. 24-03-02 PURA's report to the General Assembly regarding lost and unaccounted for (LAUF) gas in 2023.

**Application of Torrington Water** 

The Authority's proposed regulations will, among other things, strengthen the qualification and training requirements for pipeline operators, and codify enhanced leakage reduction procedures. These regulations will be considered final after review and approval by the Office of the Attorney General and will be subsequently transmitted to the Legislative Regulation Review Committee (LRRC). Upon approval by the Office of the Attorney General and the LRRC, these updated regulations will take effect to the benefit of public safety, employee safety, and the environment.

## **Water Sector**

Connecticut's water resources are overseen and protected through interagency coordination between PURA, DEEP, and DPH. The Authority's specific role is to ensure that water rate designs encourage conservation and responsible water use. In addition to rate design, ensuring that the state's aging drinking water infrastructure is modernized is essential to efficient water use. The regulatory tools PURA uses to accomplish this include the Water Infrastructure Conservation Adjustment (WICA) surcharge, which enables water companies to accelerate necessary upgrades in advance of a rate case. The Authority issued ten WICA decisions in 2024.

## **Major Decisions**

Docket No. <u>20-</u>	Jewett City Water application for approval of
<u>10-31WI02</u>	Annual WICA Reconciliation
Docket No. <u>20-</u> <u>12-30WI08</u>	Application of The Connecticut Water Company for its Annual Reconciliation of its Water Infrastructure and Conservation Adjustment
Docket No. <u>13-</u>	Aquarion Water Company Annual WICA
<u>02-20WI25</u>	Surcharge Reconciliation
Docket No. <u>12-</u> <u>07-07WI20</u>	Application of Torrington Water Company for its Annual Reconciliation of its Water Infrastructure and Conservation Adjustment

Docket No. <u>10-</u> <u>05-01WI27</u>	Company for its Annual Reconciliation of its Water Infrastructure and Conservation Adjustment
Docket No. <u>20-</u> <u>12-30WI07</u>	Application of The Connecticut Water Company for a Water Infrastructure Conservation Adjustment
Docket No. <u>13-</u> <u>02-20WI26</u>	Application of Aquarion Water Company of Connecticut for Approval of Water Infrastructure and Conservation Adjustment Projects
Docket No. <u>23-</u> <u>08-32WI01</u>	Application of The Connecticut Water Company for a Water Infrastructure Conservation Adjustment Semi Annual Filing Report
Docket No. <u>22-</u> <u>07-01WI01</u>	Torrington Water Company WICA reconciliation approving projects as WICA-eligible and a rate surcharge.
	Application of Aquarion Water

Company of Connecticut for

Approval of Water Infrastructure

and Conservation Adjustment

**Projects** 

# **Telecomm & Utility Poles**

With the backdrop of rapid and ongoing advances in communications technology, PURA is responsible for promoting a competitive telecommunications market by regulating the public rights-of-way and utility pole attachments, which support a significant amount of the state's telecommunications infrastructure. In 2024, this included advancing the deployment of both above- and below-ground broadband deployment in support the state's goal of providing highspeed internet service across all Connecticut communities. PURA also continues to prioritize the safety of utility infrastructure, including poles throughout the state that support broadband. Specifically, PURA continues to monitor the success of a pilot program, established in 2022 and implemented in 2023, testing a "single visit transfer" process to eliminate double poles in six communities throughout the state.

Docket No. 13-

02-20WI27

In addition to supporting the deployment of broadband and ensuring the structural safety of the poles throughout the state, the Authority also plays a significant role in reviewing and approving funding for important public services each year, including state-directed technology education grants, Connecticut's Enhanced Emergency 911 (E-911) program, and community access television.

Finally, the Authority enforced its regulations regarding service standards for telecommunications companies through an investigation of violations by Frontier Communications.

## **Major Decisions**

Application of Conduit Excavation and Notification Process for Telecommunications Service Providers and Broadband Internet Access Service Provider.

Docket No. Review and approval of annual PEGPETIA grant applications.

Annual assessment to fund the development and administration of the Enhanced Emergency 911 Program.

Docket No.
24-01-06

Annual community access television support review.

PURA Consideration of Civil Penalty and

Docket No.

24-01-15RE01

PURA Consideration of Civil Penalty and
Enforcement Action Against Frontier
Communications After Investigation of Quality of
Service Standard Performance.

# **Grid Modernization**

Since October 2019, PURA has been actively pursuing the modernization of Connecticut's electric grid, initiating eleven investigations into different components of an Equitable Modern Grid (EMG). The Authority has now issued final decisions, or final reports, in all eleven of the EMG reopener dockets, and has moved on to full implementation of the programs and policies designed by these final documents

In 2024, the Authority continued to build and maintain momentum towards achieving the EMG Framework objectives of advancing affordability, enabling the continued decarbonization of Connecticut's electric supply, supporting enhanced resilience and reliability of the grid, and growing the state's green economy. Specific major developments included completing and the selection of the first portfolio of innovative energy technology pilot projects through the Innovative Energy Solutions (IES) Program. Additionally, the Authority's annual Arrearage Forgiveness Program (AFP) review decision implements changes to ensure streamlined enrollment and maximum affordability benefits for customers participating in advance of the launch of the Low-Income Discount Rate (LIDR), which occurred on January 1, 2024.

All of PURA's annual clean energy program review decisions and updates are captured in the 2023 Clean and Renewable Energy Report produced in Docket No. 24-08-01, attached as Appendix 3 to this Report.

## **Major Decisions**

Evaluates the EDCs' and LDCs' AFP performance and implements necessary program modifications.

Docket No.
17-12-03RE11

Approves the implementation of a five-tiered Low-Income Discount rate to equitably reduce unpaid bills.

Docket No.
17-12-03 RE06

Published a report on the 100-day sprint conducted to identify and resolve as many interconnection issues as possible and recommend proposed solutions for the future.

Approved a specific carve-out of the

Docket No.

24-08-03

Approved a specific carve-out of the
existing NRES program structure for
projects built by schools in
Connecticut.

Docket No.
23-08-02
Issued a second decision approving master-metered multifamily affordable housing to participate in the existing RRES program.

**Docket No.** Completed the Non-wires Solutions **24-08-08** Process initiation phase.

Docket No.
17-12-03RE02

Establishes a regulatory roadmap for statewide deployment of AMI that will protect ratepayers, and advance Connecticut's energy, economic, and environmental policy goals

Approves a portfolio of nine innovative energy technology pilot projects that support beneficial electrification that will be deployed beginning in 2025.

# Office of Education, Enforcement & Outreach

PURA established the Office of Education, Outreach, and Enforcement (EOE) in July of 2020. The key objective of EOE is to provide ratepayers and non-traditional stakeholders that interact with PURA an improved customer service experience. The "ex parte" communication prohibition that applies to PURA's decisional staff does not apply to staff assigned to EOE, meaning ratepayers and other parties may pose questions and concerns to EOE staff. In this capacity, EOE supported eight PURA 101 offerings in 2023. Importantly, however, EOE staff are not able to discuss pending substantive matters with PURA's decisional staff and commissioners, nor are EOE staff permitted to speak on behalf of the Authority.

EOE also mediates disputes concerning matters related to regulated companies whenever possible or appropriate, enforces applicable regulations and statutes in matters delegated to EOE, and independently investigates issues related to PURA-regulated or licensed entities as directed or delegated. Moreover, EOE also operates a call center that receives and responds to customer complaints. Consistent with the objectives of the Authority, EOE has dedicated significant focus to vulnerable and low-income customers (hardship) in this capacity in recent years.

EOE also supports PURA's role in dozens of state-mandated working groups and subgroups, including facilitating several working groups, including the Vegetation Management Standing Working Group, several Distributed Generation Working Groups, and the Pole Attachment Working Group.

## **Licensing & Certification Unit**

- 15,392 Class I Renewable Energy Certifications
- 46 submetering applications
- 72 rights-of-way applications

#### **Mediation & Enforcement Unit**

- 5 electric supplier enforcement actions
- 2 settlements
- Ongoing support of 2 active rate cases and 2 completed rate cases

#### **Education & Outreach Unit**

- 9,447 customer complaints and inquiries addressed
- \$143,399 returned to customers following complaint resolution

## **Working Group Administration**

- Wage Garnishment Working Group
- Interconnection Working Groups
- Pole Attachment Working Group
- Vegetation Management Working Group
- Represented PURA in dozens of statemandated working groups (e.g. Water Planning Advisory Group)

## **Additional PURA Resources**

- Read the Full Annual Report
- Subscribe to PURA's Quarterly Newsletter
- Review CT Clean Energy Programs
- Energy Affordability and Hardship Protection Programs
- How to Participate in PURA Dockets
- Contact PURA
- View Upcoming Events