



# SECTION 5: THE WATER SECTOR

## 1.1 M CUSTOMERS

Connecticut's water is an essential natural resource that must be carefully maintained and distributed in order to ensure long-term, safe, available, and affordable water service. Within the state boundaries are over 6,000 miles of rivers and streams, at least 2,000 lakes and reservoirs, and groundwater resources that supply Connecticut residents with water.[1] These public water systems and resources are jointly regulated by PURA, DEEP, and the Department of Public Health (DPH). DEEP is responsible for administering the Aquifer Protection Area Program, establishing land use regulations and standards, and monitoring, assessing, and reporting water quality. DPH oversees the safe and adequate supply of drinking water for Connecticut's population by regulating the purity of all public water systems, while PURA regulates the costs, rates, infrastructure, conservation mechanisms, and business operations of Connecticut's investor-owned water utilities.

Together, PURA, DEEP, and DPH coordinate their roles in protecting Connecticut's water resources through their membership on the Connecticut Water Planning Council (WPC), which was chaired by PURA Vice Chairman Jack Betkoski until his retirement on January 1, 2025.[2] The WPC was founded in 2001 through Public Act 01-177, An Act Establishing a Water Planning Council, with the purpose of "address[ing] issues involving the water companies, water resources, and state policies regarding the future of the state's drinking water supply." The WPC jointly prepared the State Water Plan in 2018 with a goal of balancing public water supply needs, economic development, recreation, and ecological health. The WPC is now used to guide Connecticut's water strategy, policies, and actions.

# KEY WATER SECTOR TOPICS IN 2024

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## Water Conservation

Despite typically receiving plentiful precipitation, Connecticut is not exempt from experiencing drought conditions. Following a State of Emergency Declaration in October 2024<sup>[3]</sup> due to critical fire weather conditions, Governor Lamont declared Stage 2 Drought conditions in all eight Connecticut counties due to a combination of precipitation shortfalls and ongoing fire danger levels statewide in November 2024.<sup>[4]</sup> Distinct from the other four stages of drought conditions, Stage 2 is used to identify an emerging drought event and warns citizens about potential impacts to water supplies. In a State 2 Drought, residents and businesses are asked to voluntarily take measures to conserve water.

In addition to participating on the WPC, PURA also participates in the Interagency Drought Workgroup (IDW), which is a subcommittee of the WPC. The IDW is responsible for developing and administering the Connecticut Drought Preparedness and Response Plan (Drought Plan). The WPC adopted the IDW's updated Drought Plan on September 6, 2022. The Drought Plan provides guidance and recommendations for a coordinated approach to drought response and determines the level of concern warranted for a drought event.<sup>[5]</sup> Additionally, the Drought Plan identifies the powers provided by existing statutes and regulations that can be called upon by Connecticut's state agencies to manage water shortages and societal hazards caused by droughts.

## Water Infrastructure Conservation Adjustments

Among its responsibilities in regulating the water companies, PURA is charged with ensuring utility rate designs encourage conservation and responsible water use, particularly through a regulatory tool called the Water Infrastructure Conservation Adjustment (WICA) surcharge adjustment mechanism. The WICA process enables the Authority, in consultation with the Office of Consumer Counsel (OCC), to administer a rate adjustment mechanism for the purpose of funding eligible water infrastructure improvement projects completed by PURA-regulated water companies between rate cases. Under the WICA program, ratepayers pay the rate-case-approved rates, plus an additional WICA surcharge to recover the costs of approved improvements. This enables water companies to accelerate the replacement and/or rehabilitation of aging water system infrastructure and promotes conservation measures. Pursuant to General Statutes § 16-262w(i), the amount of WICA charged between general rate case filings cannot exceed ten percent (10%) of the water company's approved annual revenue requirement. When companies propose new WICA projects, the Authority analyzes the proposals against the following criteria:

- It is eligible for WICA Program treatment under General Statutes § 16-262v(1). Specifically, the project is eligible if it:

- Improves or protects the quality and reliability of service to customers including (A) renewal or replacement of existing infrastructure ... [that has] either reached the end of its useful life, are worn out, are in deteriorated condition, are or will be contributing to unacceptable levels of unaccounted for water, or are negatively impacting water quality or reliability of service if not replaced; (B) covers main cleaning and relining projects; (C) relocation of facilities as a result of government actions, the capital costs of which are not otherwise eligible for reimbursement; [and] (D) purchase of leak detection equipment or installation of production meters, and pressure reducing valves;
- Benefits customers by improving water quality, system integrity, or service reliability;
- Adheres to the criteria established for determining priority of infrastructure projects; and
- There is a sufficient level of investment in infrastructure.

In 2024, PURA issued ten WICA decisions or Semi-Annual Filing Reports (SAFR) decisions filed by water companies in Connecticut. These decisions authorize one or more of the following: new projects as WICA-eligible; modifications to projects previously identified as WICA-eligible; and an increase in the WICA surcharge (up to 10% of the approved revenue requirement in total) to recover costs associated with completed WICA projects. The Authority also reconciles any under- or -over-collection of the previously-authorized WICA surcharge, resulting in either an additional surcharge to customers in the event of an under-collection and a credit to customers in the event of an over-collection. A summary of these decisions is in Table 10 below followed by additional details. If a cell is blank, it means it may not have been pertinent to that decision:

**Table 10: 2023 WICA Decisions by Company**

Company	Docket Number	Decision Date	Cumulative Completed WICA Investments	Current Surcharge	Reconciliation Surcharge or Surcredit
Connecticut Water Company	20-12-30WI07	4/17/2024	0%	0%	
	20-12-30WI08	3/27/2024			(0.13%)
	23-08-32WI01	9/18/2024	3.43%	3.43%	
Aquarion Water Company	22-07-01WI01	9/25/2024	2.50%	2.50%	
	13-02-20WI25	3/27/2024			0.17%
	13-02-20WI26	7/10/2024	0%	0%	
	13-02-20WI27	12/18/2024	0%	0%	

Company	Docket Number	Decision Date	Cumulative Completed WICA Investments	Current Surcharge	Reconciliation Surcharge or Surcredit
Jewett City Water Company	20-10-31WI02	3/27/2024			0.16%
Hazardville Water Company	12-07-07WI20	3/27/2024			0.99%
Torrington Water Company	10-05-01WI27	3/27/2024			1.10%

- Docket No. 20-12-30WI07 – Connecticut Water Company requested approval of new projects. There is no surcharge because the Company did not submit completed projects.
- Docket No. 20-12-30WI08 – This is an annual reconciliation. The Company charged \$135,700 more than was allowed; therefore it must return the money via a surcredit. The surcredit is -0.13% and it is effective from April 1, 2024, through March 31, 2025.
- Docket No. 23-08-32WI01 – CWC requested a surcharge of 3.43%, which is equal to \$41,859,677 for 30 completed projects.
- Docket No. 22-07-01WI01 – Aquarion requested a 2.5% surcharge for 71 completed projects for a total of \$44,249,063.
- Docket No. 13-02-20WI25 – This is an annual reconciliation. Aquarion under-collected \$294,018, which is equal to 0.17%. This amount is charged on customers’ bills from April 1, 2024, to March 31, 2025.
- Docket No. 13-02-20WI26 – Aquarion requested approval of new projects for its legacy systems. No surcharge requested.
- Docket No. 13-02-20WI27 – Aquarion requested approval of new projects for WICA procedures for its Valley Water System located Plainville. No surcharge requested. Aquarion acquired Valley Water System in 2021.
- Docket No. 20-10-31WI02 – This is an annual reconciliation. The Company under-collected \$3,392 and is charging customers 0.16% from April 1, 2024, to March 31, 2025.
- Docket No. 12-07-07WI20 – This is an annual reconciliation. The Company under-collected \$37,148 and is charging customers 0.99% from April 1, 2024, to March 31, 2025.
- Docket No. 10-05-01WI27 – This is an annual reconciliation. The Company under-collected \$79,930 and is charging customers 1.10% from April 1, 2024, to March 31, 2025.

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[1] DEEP, Connecticut's Water Resources, <https://portal.ct.gov/DEEP/Water/Connecticuts-Water-Resources>

[2] The WPC is now chaired by the Office of Policy & Management (OPM) Undersecretary, Martin L. Heft. PURA Commissioner David Arconti represents PURA on the WPC.

[3] Press Release, October 25, 2024, "Governor Lamont Declares State of Emergency Due to Critical Fire Weather Conditions Statewide." [https://portal.ct.gov/governor/news/press-releases/2024/10-2024/governor-lamont-declares-state-of-emergency-due-to-critical-fire-weather-conditions-statewide?language=en\\_US](https://portal.ct.gov/governor/news/press-releases/2024/10-2024/governor-lamont-declares-state-of-emergency-due-to-critical-fire-weather-conditions-statewide?language=en_US)

[4] Press Release, November 9, 2024, "Governor Lamont Declares Stage 2 Drought Advisory for All of Connecticut." [https://portal.ct.gov/governor/news/press-releases/2024/11-2024/governor-lamont-declares-stage-2-drought-advisory-for-all-of-connecticut?fbclid=PAZXh0bgNhZW0CMTEAAabFfufeXGNexeiTyyaB--NlmnLq9ZMwG1MJ1a9VbDaGpcHQrXKYKR1pO8M\\_aem\\_UdV0ftU3Co1t\\_znY92UxYQ&language=en\\_US](https://portal.ct.gov/governor/news/press-releases/2024/11-2024/governor-lamont-declares-stage-2-drought-advisory-for-all-of-connecticut?fbclid=PAZXh0bgNhZW0CMTEAAabFfufeXGNexeiTyyaB--NlmnLq9ZMwG1MJ1a9VbDaGpcHQrXKYKR1pO8M_aem_UdV0ftU3Co1t_znY92UxYQ&language=en_US)

[5] Connecticut State Drought Preparedness & Response Plan, September 6, 2022, available at: [https://portal.ct.gov/-/media/water/drought/ct\\_state\\_drought\\_plan\\_2022-09-06.pdf?rev=153e7a15a1284a93ba5d816fa8831809&hash=440F78B17F2E196389B7D09FF791D7E2](https://portal.ct.gov/-/media/water/drought/ct_state_drought_plan_2022-09-06.pdf?rev=153e7a15a1284a93ba5d816fa8831809&hash=440F78B17F2E196389B7D09FF791D7E2)

## 2024 WATER SECTOR DECISIONS

Docket Number	Title	Decision Date
<a href="#">23-11-16</a>	Application of The Connecticut Water Company for Approval of the Issuance of up to \$25,000,000 of Unsecured Notes	1/10/2024
<a href="#">23-08-16</a>	Application of the Connecticut Water Company to Dispose of Approximately 16.1 Acres of Real Property Located South of Mulberry Reservoir in the Borough of Naugatuck, Connecticut	1/10/2024
<a href="#">23-10-32</a>	Application of EarthGrid PBC Corporation to Provide Resold and Facilities-based Local Exchange and Intrastate Toll Services	2/14/2024
<a href="#">20-10-31WI02</a>	Jewett City Water application for approval of Annual WICA Reconciliation	3/27/2024
<a href="#">20-12-30WI08</a>	Application of The Connecticut Water Company for its Annual Reconciliation of its Water Infrastructure and Conservation Adjustment	3/27/2024
<a href="#">13-02-20WI25</a>	Aquarion Water Company Annual WICA Surcharge Reconciliation	3/27/2024
<a href="#">12-07-07WI20</a>	Application of Hazardville Water Company for Annual WICA Reconciliation	3/27/2024
<a href="#">10-05-01WI27</a>	Application of Torrington Water Company for its Annual Reconciliation of its Water Infrastructure and Conservation Adjustment	3/27/2024
<a href="#">24-02-15</a>	Application of Aquarion Water Company of Connecticut for Approval of the Issuance of Long-Term Debt in the Principal Amount of up to \$118,516,577.	4/3/2024

## 2024 WATER SECTOR DECISIONS

Docket Number	Title	Decision Date
<a href="#">20-12-30WI07</a>	Application of The Connecticut Water Company for a Water Infrastructure Conservation Adjustment	4/17/2024
<a href="#">23-11-24</a>	Application of the Connecticut Water Company to Dispose of Approximately 0.2+ Acres of Real Property Located at 14 West Main Street in the Town of Avon, Connecticut	5/8/2024
<a href="#">23-08-32</a>	Application of Connecticut Water Company to Amend its Rate Schedules	6/28/2024
<a href="#">24-05-19</a>	Application of Zayo Northeast, LLC for a Certificate of Public Convenience and Necessity	7/10/2024
<a href="#">24-02-15</a>	Application of Aquarion Water Company of Connecticut for Approval of the Issuance of Long-Term Debt in the Principal Amount of up to \$118,516,577.	7/10/2024
<a href="#">13-02-20WI26</a>	Application of Aquarion Water Company of Connecticut for Approval of Water Infrastructure and Conservation Adjustment Projects	7/10/2024
<a href="#">24-06-07</a>	Application of Zayo Infrastructure Holdco, LLC for a Certificate of Public Convenience and Necessity	7/31/2024
<a href="#">22-07-01RE01</a>	APPLICATION OF AQUARION WATER COMPANY OF CONNECTICUT TO AMEND ITS RATE SCHEDULE - REMAND	7/31/2024
<a href="#">24-06-20</a>	Application of The Connecticut Water Company for Approval of the Issuance of up to \$150,000,000 of Unsecured Notes	8/14/2024

## 2024 WATER SECTOR DECISIONS

Docket Number	Title	Decision Date
<a href="#">21-04-25</a>	Application of Electric Lightwave, LLC d/b/a Allstream for a Telcom Certificate of Public Convenience and Necessity	8/28/2024
<a href="#">23-08-32WI01</a>	Application of The Connecticut Water Company for a Water Infrastructure Conservation Adjustment Semi Annual Filing Report	9/18/2024
<a href="#">24-07-07</a>	Lattizori Development, LLC - Request for Approval of Special Deposit Contract	9/18/2024
<a href="#">22-07-01WI01</a>	Application of Aquarion Water Company of Connecticut for a Water Infrastructure and Conservation Adjustment	9/25/2024
<a href="#">13-02-20WI27</a>	Application of Aquarion Water Company of Connecticut for Approval of Water Infrastructure and Conservation Adjustment Projects	12/18/2024

A comprehensive list of PURA 2024 decisions is available in Appendix 2, attached to this Report.