



SECTION 3: THE ELECTRIC SECTOR

1.5 M Customers

The Electric Sector is the largest industry regulated by PURA with over \$2.5 billion annually in distribution revenue under PURA’s jurisdiction. The Authority is responsible for regulating the rates, services, and distribution infrastructure of Connecticut’s two investor-owned electric distribution companies (EDCs), The Connecticut Light and Power Company d/b/a Eversource Energy (Eversource) and The United Illuminating Company (UI), in a manner that leads to just and reasonable rates. Together, Eversource and UI serve over 1.6 million customers (also called “ratepayers”), which represents over 90% of the state’s electric customers.¹ The Authority’s oversight of the EDCs, which is outlined in Title 16 of the General Statutes, covers a broad range of topics, including but not limited to:

- Electric distribution rates and other bill charges;
- The provision of safe, adequate, and reliable service;
- The wholesale procurement of electricity;
- The administration of renewable power contracts;
- Emergency performance and incident response procedures;
- The administration of utility poles;
- Vegetation management practices (i.e., tree trimming);
- Metering and billing accuracy;
- Customer service, education, and outreach; and
- The oversight of renewable energy tariff structures.

In addition to its regulation of the EDCs, the Authority also has purview over other aspects of electric sector regulation, including but not limited to:

- Third party electric supplier licensing;
- Registration of electric aggregators; and
- Monitoring compliance with the renewable portfolio standards.

When a docket concerning any of the above topics is brought before the Authority, staff must follow the docket process to build a record of evidence that enables a well-founded decision that supports the agency’s overall mission of just and

reasonable rates. A detailed explanation of this process is included in Appendix 1 – Standard Docket Procedure Guide, attached to this report.

Electric Supply Costs

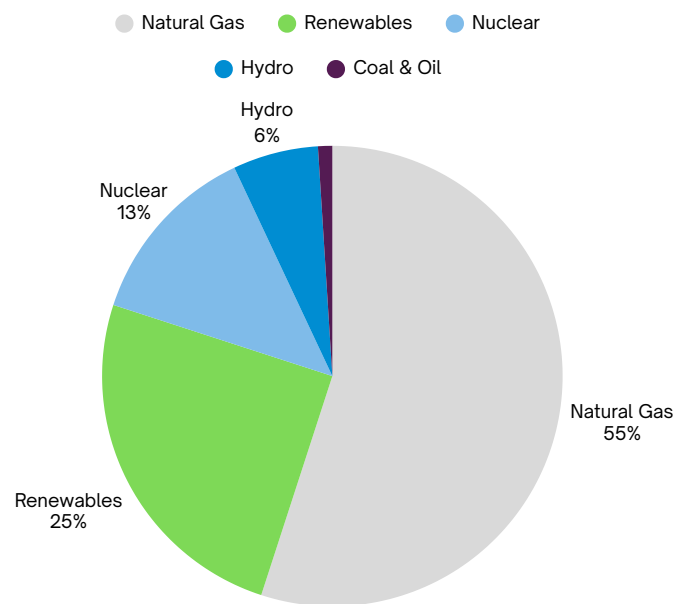
While many components of the Electric Sector are under PURA’s jurisdiction, PURA does not regulate wholesale energy costs. When Connecticut deregulated its energy supply in 1998, the intent was to let market competition reduce both supply costs and risk to ratepayers, while PURA would oversee the safe, reliable, and affordable distribution of electricity throughout the state. Thus, the cost of electricity supply is now established by the regional wholesale energy markets overseen by the Independent System Operator of New England (ISO-NE or ISO New England). Although ratepayers can choose an alternate supplier, most ratepayers elect to remain on standard service, whereby Eversource and UI purchase electricity through the wholesale energy markets and pass that cost directly through to ratepayers. The EDCs do not earn a profit on the cost of electricity.

The price of energy supply for electricity is highly correlated with the price of natural gas because it is the “marginal resource”, or the resource that sets the price in the wholesale energy markets in most hours. Typically, when the price of natural gas increases, electricity supply rates subsequently increase. As shown by Figure 3, natural gas powers approximately 55% of New England’s electricity generation.

Though the Authority has no control over the price of wholesale electric supply, it has designed and implemented multiple affordability and bill repayment programs, and renewable energy tariffs that empower a ratepayer’s decision to install, lease, or subscribe to solar facilities in the state to gain some control over their electric supply costs. Additionally, PURA has other tools to address distribution charges on customers’ bills in the long term, including rate cases, as discussed in Section 1 above.

Figure 3: 2025 New England Regional Generation Mix

Source: [ISO New England](#)



KEY ELECTRIC SECTOR TOPICS

As discussed throughout, PURA's regulation of the EDCs primarily focuses on ensuring reliability, safety, and affordability of electric distribution service. In 2025, among many other proceedings, PURA reviewed and approved electricity supply rates for standard service customers and completed its annual 2025 RAM proceedings to ensure that any adjustments reflect actual prices and costs. The Authority also continued to monitor the EDCs' reliability performance. The full list of PURA decisions for the electric sector is included further below in this section.

Affordability

Electric Supply

Customer electricity bills are divided into two primary categories of charges: (1) supply charges and (2) delivery charges. Supply charges represent the cost of the electricity commodity used by the customer. Delivery charges represent all other charges related to the conveyance of electricity to customers including transmission, distribution, public benefits, and other charges. In Connecticut's de-regulated electricity market, customers can choose to source their electricity supply from a retail supplier or from their local EDC's default electricity supply service, known as Standard Service (SS) for residential customers and commercial customers using less than 500 kilowatt (kW) of demand, and known as Last Resort Service for customers using more than 500 kW of demand. As a result of the de-regulation of the electricity industry in 1998, Connecticut's regulated, investor-owned EDCs, Eversource and UI, generally do not own and operate the electricity generation resources that supply electricity to customers. Instead, electricity is supplied to Connecticut customers, whether through retail suppliers or through SS, via the competitive wholesale energy markets administered by the Independent System Operator of New England (ISO-NE). Electricity supply prices are determined in the ISO-NE wholesale markets and are not regulated by PURA.

In 2025, SS rates reflected a typical annual pattern of increasing for the first half of the year and decreasing for the second half of the year. This pattern typically recurs annually because of seasonal changes in the price of natural gas. Specifically, across all rate schedules for January 1, 2025 through June 30, 2025, Eversource SS was 11.02 cents per kWh on average and UI SS was 13.48 cents per kWh on average. Across all rate schedules for July 1, 2025 through December 31, 2025, Eversource SS was 9.68 cents per kWh on average and UI SS was 11.72 cents per kWh on average.

Rate Adjustment Mechanisms (RAM)

In 2007, the General Assembly enacted Public Act 07-242, An Act Concerning Electricity and Energy Efficiency, which ordered Connecticut's electric and gas utilities to decouple their distribution revenues from the volume of sales. Essentially, this means that if a utility collects revenue higher than the amount previously established through a full rate case, it

is returned in the next year's rates as a credit to customers, and if there is an under-collection, then the utility can recover that shortfall through an additional charge instead. Additionally, other costs for programs such as the EDCs' arrearage forgiveness programs and several clean energy project contracts entered into by the State of Connecticut are not included in base distribution rates. While distribution rates are set through a rate case, the other costs and revenues associated with clean energy programs, arrearage management programs, etc., are reconciled and charged to customers through separate rate components that are delineated as additional line items on the delivery side of a customer's monthly bill.

To ensure a fair and accurate accounting of all rate components charged to customers and to address any associated under- or over-collections, the Authority annually performs a full prudence review of actual revenues and approved expenses from the prior calendar year for all rates, apart from base distribution rates, charged to retail electric customers. Areas of review include, but are not limited to: the collection timeline of each rate component, including transmission; customer renewable energy and grid modernization program costs (e.g., the Residential Renewable Energy Solutions program); state-led renewable energy procurements; resilience and reliability measures; and revenue decoupling. The Authority initially reviews these filings in March and April to allow for changes to be provisionally made to the reconciling components starting May 1 of each year. Subsequently, the Authority conducts a full prudency review of the underlying costs expended through the associated programs during the previous calendar year and approves the final rate adjustments associated with such prudence review. Any differences between the May 1 rates and the findings of the Authority's prudence review go into effect September 1 of the current year.

In accordance with General Statutes §16-19e(a), PURA reviews these rate components to ensure that:

- 1.The level and structure of rates [are] 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...; and
- 2.The level and structure of rates charged customers reflects prudent and efficient management of the franchise operation.

This process is known as the Annual Review of the Rate Adjustment Mechanisms, or RAM, and is conducted for both Eversource and UI.

Every year on March 1, Eversource and UI each submit their RAM filings for the previous year, detailing the Company's calculated over- or under-recoveries for the period of January 1 through December 31 of the previous calendar year. A standardized docket numbering system is used for each company's annual RAM proceeding: XX-01-03 for Eversource and XX-01-04 for UI, with the "XX" representing the last two digits of the current calendar year. The Authority typically issues an interim decision in mid-April authorizing the provisional May 1 rates and a final decision in mid-August approving the final revenues and expenses and any rate adjustments for September 1.

2025 Eversource and UI RAM Proceedings

On March 1, 2025, Eversource and UI submitted their RAM filings detailing each company's over- or under-recoveries of the various rate components addressed by RAM in Docket Nos. [25-01-03](#) and [25-01-04](#), respectively. Additionally, each company provided their proposed weighted-average rate adjustments associated with such over- or under-recoveries.

The Authority issued interrogatories – as did other parties and intervenors such as OCC, EOE, and DEEP – and held public hearings in both dockets, resulting in Interim Decisions issued on April 23, 2025, that approved rate adjustments for both Companies effective May 1, 2025 to April 30, 2026. These interim decisions also specified that the Authority may adjust these approved rates effective September 1, 2025, based on its subsequent review and Final Decisions in the proceedings.

On August 13, 2025, the Authority issued Final Decisions in both dockets approving rates for Eversource and UI, with adjustments to certain rate components for the period of September 1, 2025, through April 30, 2026, to account for the Company's 2024 actual revenues and expenses and resulting over- or under-collections for the RAM Components for the 12-month period ending December 31, 2024, and to incorporate certain known and measurable expenses the Company is likely to incur in calendar year 2025. Notably the Authority also made adjustments to the Non-Bypassable Federally Mandated Congestion Charge (NBFMCC) and the System Benefit Charge (SBC) to reflect funding authorized by the State Bond Commission pursuant to [Public Act 25-173, An Act Concerning Energy Affordability, Access, and Accountability](#). View the Final Decisions for [Eversource's RAM Proceeding](#) and [UI's RAM Proceeding](#).

Reliability

General Statutes § 16-245y(a) requires each EDC to report reliability data to PURA for the preceding 12 months in terms of System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI), both of which are common electric utility industry measures of reliability. Eversource and UI submitted their Transmission and Distribution Reliability Performance Reports reflecting calendar year 2024 data (2025 TDRP Reports) on March 31, 2025. General Statutes § 16-245y(a) also requires PURA to report these data for each EDC and for the state as a whole to the joint standing committee of the Energy and Technology Committee of the Connecticut General Assembly. This reliability report includes additional information and metrics, such as Customer Average Interruption Duration Index (CAIDI), to give the General Assembly greater insight into the reliability performance of Connecticut's EDCs and their distribution systems. The Authority issued the reliability report on November 10, 2025.

In 2024, Eversource's 2024 SAIDI and CAIDI increased slightly relative to 2023 but remain significantly lower than the 1995-1998 four-year average. UI's SAIDI and CAIDI decreased or stayed the same compared to 2023 and have decreased significantly since 2010. A national comparison shows that Connecticut's EDCs rank favorably in terms of reliability performance. The reliability report provides additional background describing each EDC's distribution system, the reliability metrics reviewed, outage causes, and statewide performance as compared to other states. View the Authority's [2025 reliability report](#).