



SECTION 6: THE WATER SECTOR

1.1 M CUSTOMERS

Connecticut's water is an essential natural resource that must be carefully maintained and distributed 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. 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 roles in protecting Connecticut's water resources through their membership on the Connecticut Water Planning Council (WPC). 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

Water Conservation

Despite typically receiving plentiful precipitation, Connecticut is not exempt from experiencing drought conditions. At the close of 2025, Connecticut has no drought stage declared. However, the state was in a drought as recently as 2024 when

a Stage 2 drought was in effect. 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. 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 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:

- The project 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 2025, the Authority reviewed and approved ten WICA applications: Four from the Aquarion Water Company; three from the Connecticut Water Company; one from Torrington Water Company; one from Hazardville Water Company; and one from Jewett City Water.

Water Quality and Treatment Adjustments

On July 1, 2025, Governor Lamont signed into law Public Act No. 25-142, An Act Concerning Water Utility Systems and Water Quality Treatment Surcharges. The Act is intended to enable the acceleration of water quality and treatment projects that constitute major additions or improvements of water infrastructure that are necessary to meet state or federal drinking water regulations. Specifically, Public Act No. 25-142 enables a cost recovery mechanism for water companies' projects to mitigate Per- and polyfluoroalkyl substances (PFAS), lead, or other contaminants. To this end, the Act empowers the Authority to authorize a water company to use a rate adjustment mechanism, similar in form and function to the Water Infrastructure and Conservation Adjustment (WICA) for eligible water quality projects.

PFAS are a group of synthetic chemicals that are highly stable and resistant to degradation in the environment. These chemicals were first synthesized in the 1940s with properties that include water and oil repellency, temperature resistance, and friction reduction. These properties have led to decades-long, widespread application of PFAS in industry, residential products, and firefighting foam. PFAS contains a fluorinated carbon chain that is extremely stable and takes a long time to break down naturally. Due to this slow degradation, along with PFAS's widespread use over time, PFAS resulted in pervasive contamination in the environment.

Water companies may subsequently apply for cost recovery to treat PFAs and other contaminants, at intervals of not less than twelve months in an Annual Filing Report (AFR), for Authority authorization to recover in rates a specified Water Quality and Treatment Adjustment (WQTA) to recover expenses incurred to date for any water company project previously deemed eligible for a WQTA by the Authority. Additionally, Companies shall file a WQTA Annual Reconciliation Report (ARR) on or before February 28th of each year to reconcile the WQTA charges or credits applied to customer bills in the prior year.

In 2025, the Authority reviewed and approved the first WQTA Report (WQTAR), which was submitted by the Connecticut Water Company (CWC). In its decision in Docket No. 23-08-32WQ01, the Authority determined the eligibility and effectiveness of 35 proposed water quality treatment projects submitted by the CWC. Notably, the decision in Docket No. 23-08-32WQ01 did not approve cost recovery, but was focused only on determining project eligibility and effectiveness.

In reviewing a WQTAR, the Authority undertakes a three-step analysis. First, the Authority determines if each proposed project is WQTA eligible. To be eligible, the Authority must find that the proposed project: (a) is a major addition, upgrade, improvement

or replacement of a critical element of water infrastructure necessary to meet state or federal drinking water regulations adopted or amended after December 16, 2021; (b) has not been authorized by the Authority for inclusion in a water company's rate base; and (c) is not eligible for funding through WICA. Second, the Authority determines whether the Company demonstrated that “the projects considered for addition, upgrade, improvement, or replacement will provide public health benefits by improving water quality for customers.” Public Act No. 25-142, § 1(d). Third, the Authority assesses the extent to which the company adhered to specified criteria in selecting and prioritizing the proposed projects. Specifically, the Authority evaluates the Company’s considerations of: (a) compliance with applicable state or federal drinking water quality standards or other standards met by such project; (b) the nature and extent of water treatment required to meet such water quality standards; and (c) water source development, system consolidation, treatment or other acceptable means necessary to comply with action levels determined by the Commissioner of Public Health or applicable state or federal water quality standards for PFAS, lead, or other contaminants. In addition to the above criteria, all projects included in a WQTAR must be planned for completion no later than five years from the date the WQTAR is filed with the Authority for review and approval.