PURA 2023 ANNUAL REPORT

February 14, 2024

Connecticut Public Utilities Regulatory Authority

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INTRODUCTION

PURPOSE OF THIS REPORT

Over the 13 years since the Public Utilities Regulatory Authority (PURA or the Authority) was established through Connecticut Public Act 11-80, An Act Concerning the Establishment of the Department of Energy and Environmental Protection and Planning for Connecticut's Energy Future, PURA's mission continues to evolve. In addition to its statutory charge to ensure that Connecticut's investor-owned utilities, including the state's electric, natural gas, and water companies, 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. These responsibilities play a vital role in ensuring public health and safety and a robust economy in Connecticut.

Given the growing importance of enhancing utility service and realizing the state's climate goals, transparent communications and accessible stakeholder resources have become increasingly important, not just for frequent participants in PURA's processes, but also for elected officials, policymakers, and members of the public alike. In recent years, PURA continues to prioritize improvements to its communications and engagement opportunities with both the public and the diverse set of stakeholders that engage in our proceedings. Notably, in 2020, the Authority established the Office of Education, Outreach, and Enforcement (EOE), which is tasked with directly engaging with non-traditional stakeholders on matters before PURA and fielding important ratepayer complaints and inquiries. Moreover, the Authority recently established a program to provide compensation to underrepresented groups to participate 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, live-streamed events, PURA 101 Workshops, and this report (Annual Report or Report). This Annual Report provides a concise summary of the Authority's work completed in the previous year, and shares insights into the year ahead. It provides both quantitative metrics on the Authority's work, as well as abridged versions of key decisions across all of the industries regulated by PURA. The Report is organized around the key public service sectors that PURA regulates, with a section for each sector and additional sections providing a specific overview of the Authority's high impact work on rate cases, performance-based regulation, and PURA's Equitable Modern Grid Initiative.

The Annual Report also summarizes the reports submitted to the General Assembly in the previous year, and reports progress on specific PURA investigations required by recent legislation. The Annual Report also includes an update on the work of EOE and on all appeals of prior PURA decisions. Finally, the Annual Report addresses major upcoming topics in the current year, such as new program launches, anticipated rate proceedings, and the transition to performance-based regulation.

The Authority intends to use this Report to increase stakeholder engagement with and awareness of ongoing and future proceedings. As a quasi-judicial agency, PURA can only make decisions based on the record evidence placed before it in any given proceeding. The Authority's decisions affect a wide variety of stakeholders both directly and indirectly and are, therefore, made more robust with increased awareness and participation from all stakeholders. The Annual Report will evolve year over year, based on feedback received by the Authority, in order to best communicate with all stakeholders.

PURA'S MISSION

The Public Utilities Regulatory Authority (PURA) is statutorily-charged with ensuring that Connecticut's investor-owned utilities, including the state's electric, natural gas, water, and telecommunications companies, provide safe, clean, reliable, and affordable utility service and infrastructure. PURA's mission is essential to advancing the state's energy, economic, and environmental goals and is critical to maintaining public health and safety as well as a robust economy.

PURA'S STATUTORY RESPONSIBILITIES

PURA is a quasi-judicial agency that interprets and applies the statutes and regulations governing all aspects of Connecticut's investor-owned utility sector. PURA replaces the former Department of Public Utility Control (DPUC) and, along with the Bureau of Energy

and Technology Policy, is part of the Energy Branch of the Department of Energy and Environmental Protection (DEEP). DEEP was created in July 2011 and brings together the state's Department of Environmental Protection (DEP), the DPUC, and an energy policy group that had been based at the Office of Policy and Management.

What does "Quasi-Judicial" mean?

This means that PURA's decisions are legally binding on the utilities it regulates.

Among other things, PURA sets the distribution rates charged by investor-owned utilities, advances the modernization of the electric distribution system, sets rates for customer-owned renewable energy resources, regulates the retail electric supplier market, implements federal requirements for natural gas pipeline safety, ensures adequate water system infrastructure investments, reviews mergers and acquisitions, provides education and outreach for consumers, and regulates the expansion of certain telecommunications infrastructure.

The majority of key statutes that govern the work of PURA are found in Title 16 of the General Statutes of Connecticut (Conn. Gen. Stat.), "Public Service Companies." Several of the most referenced statutes are summarized by Table 1 below.

Table 1: PURA's Governing State Statutes

Statutory Section	Purpose
§ 16-9	Governs the issuance of orders by PURA.
§ 16-11	Requires PURA to regulate the condition of the plant, equipment, and manner of operation of all public service companies. Enables PURA to order reasonable improvements, repairs or alterations to companies' plant or equipment, or changes to the manner of operation as necessary in the public interest.
§ 16-18	PURA has jurisdiction over the method and manner of construction of wire, poles, conductors, and fixtures for the transmission of electricity.
§ 16-19	Establishes PURA's ratemaking authority.
§ 16-19e	Sets forth the principles PURA must apply when regulating public service companies.

§ 16-41	Authorizes PURA to issue civil penalties.
§ 16-43	Requires public service companies to obtain our approval prior to taking certain actions (listed in the statute).
§ 16-244i	Requires PURA to oversee quality and reliability of electric service. Obligates the electric distribution utilities to provide safe and reliable service to customers, among other things.
§ 16-245	Establishes PURA's authority to regulate electric suppliers.

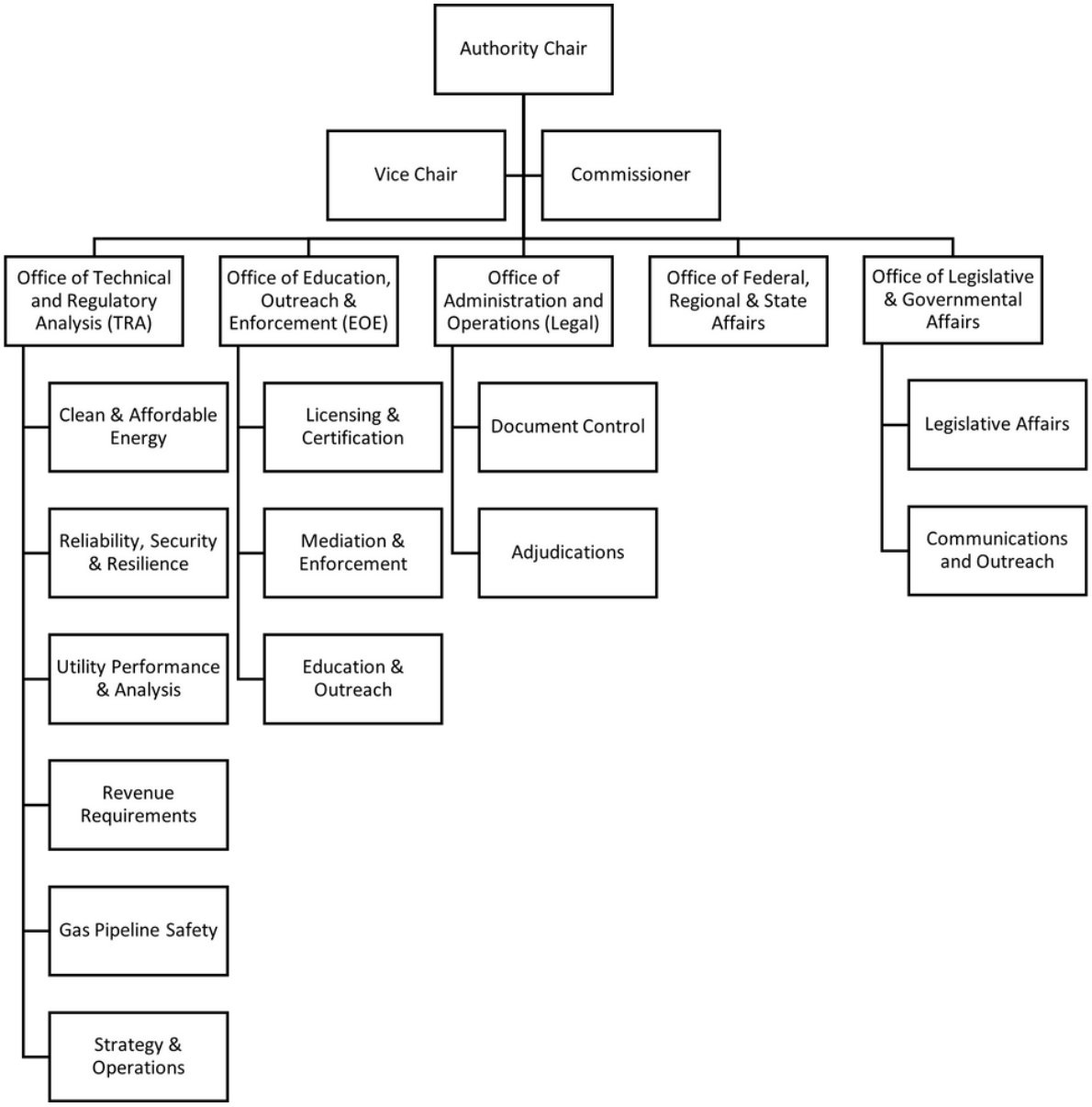
PURA'S ORGANIZATIONAL STRUCTURE

All matters and proceedings before the Authority are presented to a panel of PURA's three commissioners. Each commissioner is appointed by the Governor, typically to a four (4) year term, with consent from the legislature.

The Authority's staff assist the Commissioners in reviewing evidence submitted into the record, issuing information requests like interrogatories, and conducting cross-examination during hearings, and propose recommended decisions to the commissioner panel. A decision on a particular proceeding is reached by a majority vote among the three commissioners.

The Governor, in each odd-numbered year, selects the chairperson of PURA from among the sitting commissioners. Every June, the commissioners hold a vote to elect a Vice Chair of the Authority for a one-year term. Per Conn. Gen. Stat. § 16-2(f), appointment as Chair comes with the responsibilities of coordinating all the activities of the Authority and organizing staff into divisions to maximize efficiency and effectiveness. The Chair also approves hiring, contracting, and other administrative resources. Currently, this position is filled by Marissa P. Gillett, with John "Jack" Betkoski III as Vice Chair, and Michael Caron as the third Commissioner. PURA staff are currently organized into five distinct offices, as shown in Figure 1 below:

Figure 1: PURA's Operational Organization



All docketed work that is primarily related to public policy or that is technical in nature (i.e., adjudicated investigations) is assigned to the Office of Technical and Regulatory Analysis (TRA), which supports the technical and substantive elements of each of the sectors included in this Report. Other docketed work that is primarily legal in nature is assigned to the Office of Administration and Operations, which houses PURA's Adjudications unit. Together, TRA and the Office of Administration and Operations make up PURA "decisional staff".[1]

Each docket is assigned technical staff from TRA based on expertise, and at least one legal advisor (attorney) from the Office of Administration and Operations, with other staff assisting as necessary and appropriate. Other matters, such as routine licensing, dispute

mediation, or enforcement, are assigned to the Office of Education, Outreach, and Enforcement (EOE). As discussed in greater detail in Section 8, EOE staff are separate from TRA Staff and are subject to ex parte limitations in communicating with other Authority staff. This allows EOE to also participate in PURA dockets as a separate party, particularly when a docket is related to rate amendments, performance-based regulation, or other alternative forms of regulation.[2]

The Office of Legislative & Governmental Affairs serves as PURA's primary contact for the Connecticut General Assembly, news media, and other interested stakeholders. The office handles all inquiries and interview requests from these parties to ensure the Authority's goals, services, activities, and programs are communicated in an accurate, transparent, and timely manner to the benefit of Connecticut ratepayers.

Finally, the Office of Federal, Regional and State Affairs monitors the federal, interstate and interregional policies that affect the wholesale energy market, and the reliability and security of energy transmission and distribution. This team is also tasked with matters related to in-state siting, including representing the PURA chairperson as her designee to the Connecticut Siting Council and serving as technical staff in reviewing relevant applications (e.g., construction method and manner applications).

PURA'S PUBLIC ENGAGEMENT & OUTREACH

The Authority's work impacts all of Connecticut's businesses and residents, making outreach to the public essential. Ensuring that the relevant stakeholders are able to provide input into PURA's proceedings is critical to preparing robust and equitable decisions. In 2023, legislation was passed granting PURA with expanded resources to equitably increase engagement with stakeholders, which PURA has begun to implement. Most significantly, Section 15 of Public Act 23-102, An Act Strengthening Protections for Connecticut's Consumers of Energy (Public Act 23-102), directed PURA to establish a process for awarding compensation to eligible stakeholder groups for participation in certain proceedings of the Authority. Specifically, this legislation authorized PURA to distribute up to $1.2 million per year across proceedings. This important provision will help stakeholders who otherwise do not have the financial resources or time necessary to participate in PURA proceedings ensure that their perspectives are represented with the Authority. Stakeholder groups eligible for this funding include those representing residential customers who live in environmental justice communities, hardship customers, small business customers, or nonprofits representing any of those groups. Through Docket No. 23-09-34, PURA Implementation of the Stakeholder Group Compensation Provisions of Section 15 of Public Act 23-102 (Stakeholder Compensation Docket), PURA established the formal process for groups applying for and being awarded funds. As of January 3, 2024, eligible stakeholder groups may now apply for compensation in relevant proceedings.

In addition to the stakeholder compensation provisions, Section 15 of Public Act 23-102 also authorized PURA, in coordination with the Office of Consumer Counsel (OCC), to distribute up to $1 million per year to allow stakeholder groups to attend trainings designed to support public understanding of the Authority's decisions, public service company regulations and operations, and the roles and functions of PURA and OCC. The Authority has begun collaborating with OCC to identify such trainings and other resources and will direct stakeholder groups to them as they are available.

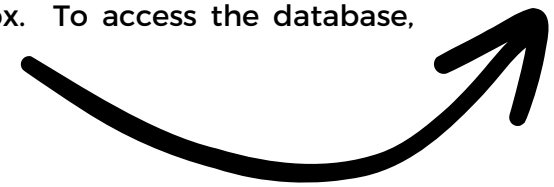
Section 30 of Public Act 23-102 also authorizes PURA to distribute up to $1 million per year to organizations or individuals providing legal assistance to residential customers negotiating bill or arrearage payment agreements with their utilities. As discussed in Section 3 of this report, PURA has heavily focused on ensuring that there are effective and fair solutions and programs available to customers who have unpaid bills, and/or cannot afford their utility bills. Nonetheless, these funds will make sure that vulnerable customers who need further assistance navigating these programs can access these resources. The Authority is working to establish a program through Docket No. 23-11-04, PURA Implementation of the Legal Services Funding Provisions of Section 30 of Public Act 23-102, and expects that the funding distribution process will be operational soon after completion of the docket.

These efforts are in addition to multiple public outreach and engagement efforts implemented by the Authority in recent years, including the creation of educational videos, the publication of quarterly newsletters that highlight recent decisions and upcoming procedural events, and the PURA 101 Roadshow, which brings live engagement to public audiences statewide. The Authority is committed to ongoing education and will continue to modify and enhance its resources so that they can best serve the needs of the public.

PURA'S DOCKET DATABASE

All documents related to each docket's procedural record are filed in PURA's online docket database. To search the record of any docket, simply type the docket number into the search box. To access the database, click the button to the right.

Access PURA's Docket Database

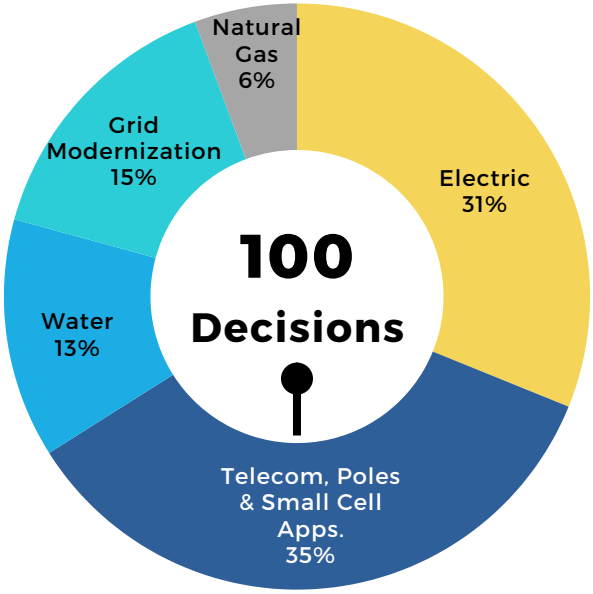


[1] Decisional staff work directly with the PURA Commissioners on decisions and, therefore, are subject to the Authority's prohibition on ex parte communications (i.e., decisional staff are unable to discuss substantive matters related to an open investigation with docket Parties, Intervenors, or Participants).

[2] Conn. Gen. Stat. § 16-19(a) states that the Authority may require a portion of its staff to serve as a party to any proceeding. Conn. Gen. Stat. § 16-19j(b) mandates that such an assignment shall occur when the proceedings relate to: (1) a rate amendment proposed pursuant to section 16-19 by a public service company having more than seventy-five thousand customers; (2) the approval of performance-based incentives pursuant to subsection (b) of section 16-19a; or (3) the approval of any alternative form of regulation pursuant to section 16-247k.

2023 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 2023, included to help stakeholders better understand PURA's roles & responsibilities.



Contains:

- 96 Final Decisions
- 2 Interim Decisions
- 1 Supplemental Decision
- 1 Declaratory Rulings

+362

Additional Licensing, Certification, and Submetering Application Decisions

Over 2,000

Total pages of analysis across decisions

Stakeholder Engagement Efforts

- 38 opportunities for written comments
- 39 Technical Meetings
- 55 Hearings
- 5 Public Comment Hearings
- 20 PURA 101 Workshops
- 16,969 customer complaints addressed

72
Total Staff

545 Dockets Opened | **409** Dockets Closed

1,110
Motion Rulings

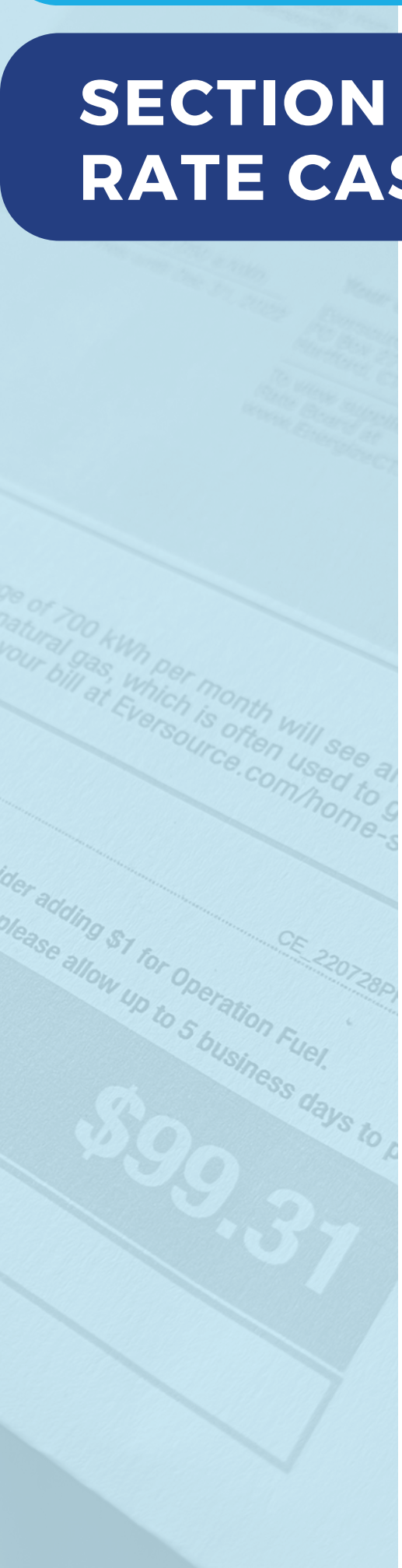
Includes:

$1.915M in Restitution
+
$1M in Compliance
+
$1.48M In payments to Operation Fuel

Issued $4.7M in Fines

- **$52.5k** EDCs
- **$199k** Call Before You Dig
- **$1.175M** Pipeline Safety
- **$2.777M** Electric Suppliers

SECTION 1: RATE CASE UPDATES



One of the core functions of PURA is regulating the distribution rates of Connecticut's investor-owned electric, natural gas, and water utility companies. These companies are granted monopoly franchise rights over the distribution and delivery infrastructure of their respective services because they are considered to have the characteristics of a natural monopoly; in other words, it is more efficient and cost-effective to grant an exclusive retail franchise to one company rather than many. As a result, the role of the regulator is to serve as a proxy for the forces of competition to balance this monopoly control and to ensure that the companies provide safe, adequate, and reliable service to customers at affordable rates. Specifically, PURA regulates the rates utilities charge customers to recover the costs of owning and maintaining distribution infrastructure only, while the cost of energy supply is instead a product of the New England regional wholesale market, which is regulated by the Federal Energy Regulatory Commission.

In order to change their distribution rates, a utility company must file a detailed application to amend its rates with the Authority. PURA is statutorily charged with conducting an adjudicated proceeding to investigate any rate application. This investigation is called a "rate case" and is one of the core functions of the Authority. Connecticut law requires PURA to conduct a rate case for public service companies at certain intervals and within a certain amount of time. After receiving a rate application, PURA has 270 days to complete a rate case proceeding for water companies, and 350 days for electric and gas companies, otherwise the rates proposed by a company automatically take effect.[1]

During each rate case, PURA's objective is to determine whether the rates proposed by the utility are just, necessary, and reasonable, though, by law, it is the company's responsibility to prove that its proposed rates are just and

reasonable.[2] Notably, this responsibility requires the company to provide more than mere assertions or documentation of expenses. Rather, the company must provide credible and sufficient evidence and clear explanations that demonstrate that the proposed rate change is just and reasonable and that the costs arise from prudent and efficient management of the utility. The Authority is obligated to deny any portion of the company's request that is not proven to be just and reasonable or is more than sufficient. Indeed, it is only in demonstrating that a requested rate is just and reasonable that the Authority can ensure that the public interest is protected as is required by Conn. Gen. Stat. § 16-19e.

Authority staff with expertise in accounting, finance, utility regulation, engineering, economics, and policy scrutinize the evidence provided by the company, starting with its proposed rate base. A utility's rate base includes the facilities, infrastructure, and other capital investments made by the utilities to supply safe, reliable, and cost-effective service to customers. Utilities finance these investments through a mixture of debt and equity, and then seek to recover these investments through rates paid by ratepayers. The Authority conducts a prudency review by analyzing the evidence provided by the utility and other Parties to the rate case proceeding to ensure that all costs included in the rate base are reasonable. Specifically, Authority staff carefully review all relevant filings, conduct public cross-examination of the utilities' technical experts and other witnesses in hearings, issue interrogatories (i.e., written questions directed at specific parties) in advance of those hearings, audit the financial reports filed by the companies, and review public comment.

In addition to recovering their rate base, utilities are also afforded the opportunity to earn a specified rate of return (ROE) on prudent investments through rates, as dictated by centuries-old U.S. Supreme Court precedent.[3] The ROE is set by examining several factors including current economic and market conditions, analytical models and cost of equity capital methodologies, ROEs of similar companies in other jurisdictions, and the company's financial risk and credit rating.

The Authority then multiplies the rate base by the ROE and adds in any pass-through operations and maintenance expenses to determine the annual revenue for the utility (called the revenue requirement). The revenue requirement is what the utility is allowed to recover through various charges on customer bills. These charges can take various forms, including fixed customer charges (e.g., $/customer), demand charges (e.g., $/kW measured in a particular period), and volumetric charges (e.g. $/kWh).

Revenue Decoupling

Any under- or over-collection of a utilities' approved annual revenue requirement is subject to reconciliation pursuant to the state's revenue decoupling law.[4] Decoupling ensures that the utility receives its annual revenue requirement, regardless of its annual sales. Ultimately, decoupling is intended to address the disincentive to support

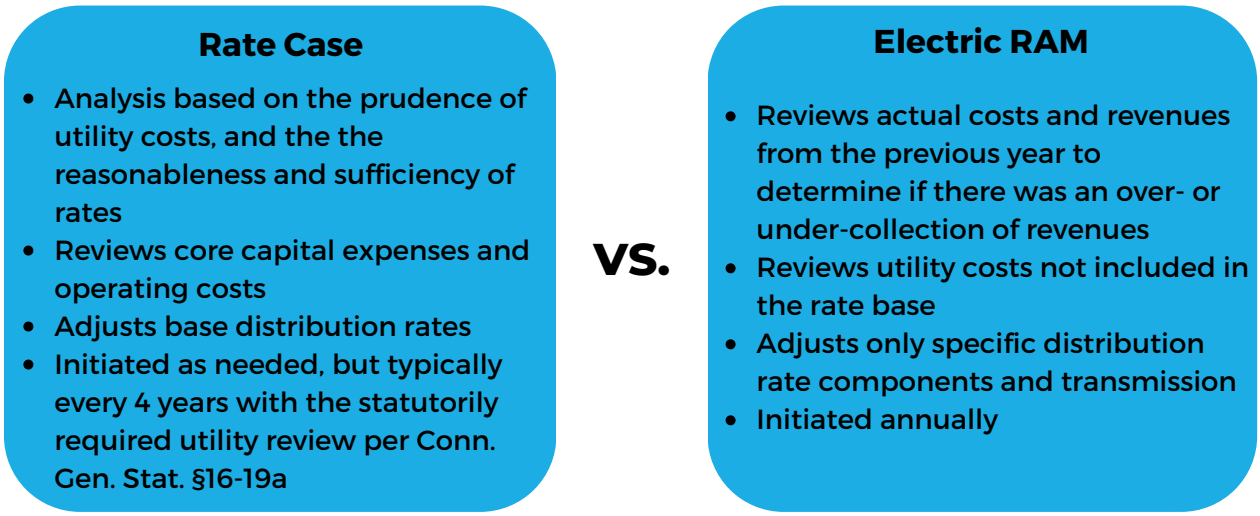
conservation efforts, such as energy efficiency measures, and other measures that reduce sales, such as distributed energy resources, that exists for the utilities when their revenue is tied to their sales.

For electric and gas utilities, the reconciling rate component is known as the revenue decoupling mechanism (RDM). For water utilities, the reconciling rate component is known as the revenue adjustment mechanism (RAM). The Authority reviews and compares a utilities revenue each year with its approved revenue requirement and authorizes a charge or credit, as appropriate, through the RDM or RAM, as applicable, to reconcile any difference from the preceding year. The charge or credit is applied for one year.

Rate Cases vs. Electric Rate Adjustment Mechanisms (RAM)

The Authority also reviews rates through additional mechanisms. For electric and gas utilities, this includes a review of the charges related to the supply through the standard service and last resort offer for electric customers and the purchased gas adjustment for gas customers. For electric utilities, this also includes a review of transmission and additional distribution-related charges through the annual rate adjustment mechanisms (RAM). Whereas a rate case is used to determine the expected revenue requirement a utility needs to recover the cost of providing safe and reliable distribution service, the electric RAM is used to recover and reconcile any costs not included in base distribution rates. Included in the electric RAM are any costs or revenues associated with clean energy programs directed by statute, arrearage management programs, and transmission costs incurred by the EDC, among other costs. These costs cannot be charged through base distribution rates and are instead reconciled on an annual basis and charged to customers through separate rate components that are included on the delivery side of customers' monthly bills. Figure 2 below summarizes these distinctions.

Figure 2: Understanding Rate Cases vs. Electric RAM Proceedings



Ultimately, rate cases and rate adjustments are some of the most important tools that the Authority yields because their outcomes affect all residents, businesses, critical infrastructure, and industries within a utility's service territory. For more information on the EDCs' 2023 RAM decisions, and how differences in expected and actual revenues are reconciled each year, see the discussion of the Rate Adjustment Mechanism in Section 4 below in this Report.

COMPLETED RATE CASES

In 2023, the Authority completed full prudency reviews and issued decisions in both the Aquarion Water Company (Aquarion) and The United Illuminating Company (UI) rate cases. Both decisions are the result of rigorous discovery and analysis described above, which also included hundreds of interrogatories, weeks of hearings including hours of cross examination and testimony by topical experts, detailed audits of financial statements, and multiple public comment hearings. The Authority's decisions present the fulfilment of its duties to ensure that approved rates are sufficient to cover the companies' prudently incurred costs, plus a reasonable rate of return, while protecting the public interest. Summaries of the decision dated March 15, 2023, in Docket No. 22-07-01, Application of Aquarion Water Company of Connecticut to Amend Its Rate Schedule, (Aquarion Decision), and the decision dated August 25, 2023, in Docket No 22-08-08, Application of The United Illuminating Company to Amend Its Rate Schedule, (UI Decision) are provided below.

2023 Rate Case Quick Facts

Aquarion (Docket No. 22-07-01)

- 207,000 Customers
- Requested Revenue Requirement: $236 million annually
- Requested ROE: 10.35%
- Approved Revenue Requirement: $196 million annually
- Approved ROE: 8.70%

United Illuminating (Docket No. 22-08-08)

- 341,000 Customers
- Requested Revenue Requirement Increase: $332 million over three years
- Requested Year 1 Revenue Requirement: $460 million
- Requested ROE: 10.20%
- Approved Revenue Requirement: $385 million annually (i.e., the multi-year rate request was denied)
- Approved ROE: 9.1% with a 0.47% conditional reduction

2023 Aquarion Rate Case (Docket No. 22-07-01)

On August 26, 2022, the Aquarion Water Company of Connecticut (Aquarion or Company) filed a rate application with PURA in accordance with Conn. Gen. Stat. § 16-19 in Docket No. 22-07-01, Application of Aquarion Water Company of Connecticut to Amend its Rate Schedule (Aquarion Application).[5] Aquarion currently provides water

service, including fire protection service, to approximately 207,000 customers in 56 Connecticut municipalities. Initially, Aquarion requested an ROE of 10.35%[6] and an annual revenue requirement of $226 million, but later increased its request to $236 million. The Authority conducted an extensive investigatory process involving four public comment hearings, several days of field audits and inspections, seven in-person days of evidentiary hearings, two days of late filed exhibit hearings, oral arguments, and the issuance of several hundred discovery requests (i.e., requests for further information). At the conclusion of that process, on March 15, 2023, the Authority issued a Decision approving an ROE of 8.70% and an annual revenue requirement of $196 million for the rate year commencing on March 15, 2023. The authorized revenue revenue requirement is an approximately $40 million reduction from Aquarion's request, as the Authority found that the Company failed to meet its burden of demonstrating that the requested revenue requirement and return on equity were just and reasonable. This outcome protects the public interest by preventing customers from having to pay for costs that Aquarion did not sufficiently justify. Key components of the Aquarion Decision are further summarized here.

Additional Aquarion Rate Case Decision Resources

- Decision Summary Document
- Final Decision
- Regular Meeting Recording
- Aquarion service territory map

2023 United Illuminating Rate Case (Docket No. 22-08-08)

On September 9, 2022, UI filed an application with PURA to amend its existing rates in accordance with Conn. Gen. Stat. § 16-19 (UI Application) in PURA Docket No. 22-08-08, Application of The United Illuminating Company to Amend its Rate Schedule.[7] UI currently provides electric service to over 341,000 residential, commercial, and industrial customers in 17 towns and cities in the southwestern part of Connecticut. UI's application included a requested ROE of 10.20%, and a base distribution revenue requirement increase of $131 million over the next three years.[8]

The Authority conducted an extensive investigatory process involving multiple rounds of pre-filed testimony, several days of field audits and inspections, 13 in-person days of evidentiary hearings, two days of late filed exhibit hearings, legal briefings and reply briefs, a draft decision, exceptions to the draft decisions and oral arguments, and the issuance of several hundred discovery requests (i.e., requests for further information). At the conclusion of that process, on August 25, 2023, the Authority issued a Final Decision, approving an ROE of 9.10%, subject to an aggregate forty-seven (47) basis point reduction, and an annual revenue requirement of $384.87 million for the rate year commencing on September 1, 2023, including a base distribution increase of $22.96 million. The reduced ROE and revenue requirement were found to be appropriate as the Authority determined

that UI did not meet its burden of justifying the requested revenue requirement and ROE requested in the company's application. This outcome protects the public interest by preventing customers from having to pay for costs that United Illuminating did not sufficiently justify. Key components of the Decision in Docket No. 22-08-08 are further summarized here.

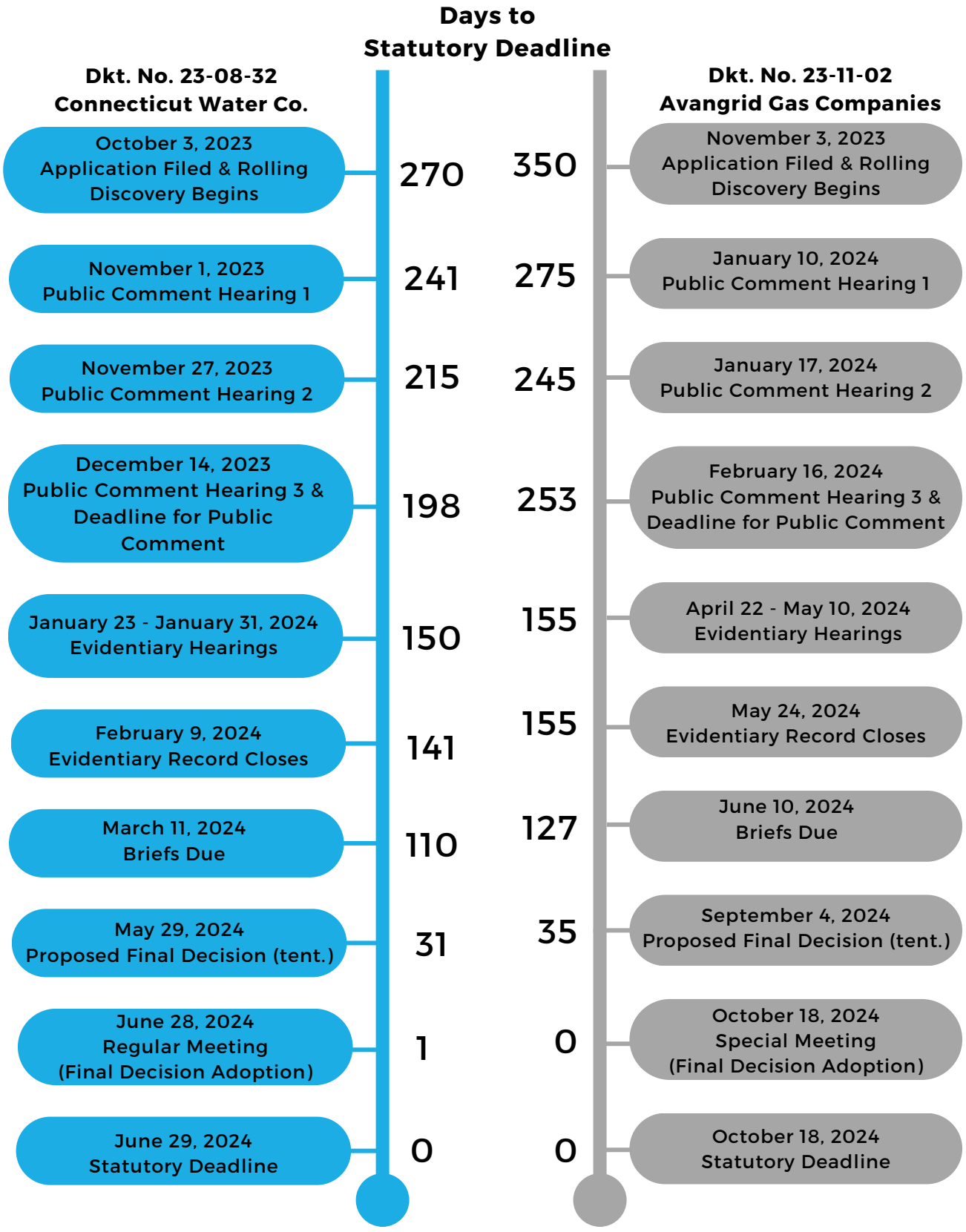
Additional United Illuminating Rate Case Decision Resources

- Decision Summary Document
- Final Decision
- Regular Meeting Recording
- United Illuminating service territory map

ACTIVE RATE CASES

In 2023, PURA received rate case applications from Connecticut Water Company (CWC), as well as from Connecticut Natural Gas Corporation (CNG) and the Southern Connecticut Gas Company (SCG) (together, Avangrid Gas Companies), jointly. Robust public engagement and comment have been priorities in both proceedings, as demonstrated by the multiple opportunities for public comment offered through live sessions conducted in the communities and held virtually, during lunchtime and evening hours, and the opportunity to submit comments in writing at any time. Until a decision is reached in each docket, PURA is unable to comment substantively outside of the formal noticed proceedings; however, the procedural progress of each case is provided in the timelines in Figure 3 below. Differences between schedules result from the difference in the statutory deadlines (270 days for water and 350 for gas), other docket schedule conflicts, and/or needs of the individual rate case.

Figure 3: Active Rate Case Progress and Next Steps



ADDITIONAL RATE CASES ON THE HORIZON

In the next 12 months, there is the potential for PURA to adjudicate additional rate amendment proceedings, incremental to the CWC and Avangrid Gas Companies' cases. As described above, rate cases are a key regulatory mechanism for improving utility service and affordability. While they may result in rate increases to account for incremental investment in infrastructure, inflationary pressures, and other cost drivers, rate cases also remain the best tool that regulators have to ensure utility costs are contained from a long-term perspective and that the utilities are being managed with efficiency and care. They provide an opportunity to both regulators and other stakeholders for careful scrutiny of all parts of a utility's business operation, which also helps improve transparency and accountability.

Though formal opportunities for public comment and participation will not be available until these rate cases are officially filed, PURA continues to emphasize the importance of proactive and transparent public engagement. Members of the public, legislators, representatives of various companies or industries, municipalities, and all other interested stakeholders are encouraged to view the PURA rate case page and to familiarize themselves with related resources on the various components of a rate case.

PURA Video Tutorials About Rate Cases

Click the links in each circle to learn more.

Overview of Rate Cases & Why They Matter to You

Ways to Get Involved In a Rate Case

The Why and How of Setting Utility Rates

Parties in a Rate Case

How is my bill affected by a rate case?

Review of Storm Costs in a Rate Case

[1] Conn. Gen. Stat. § 16-19(a).

[2] Conn. Gen. Stat. § 16-22.

[3] The utility is also allowed to recover, without an additional return, certain operation and maintenance costs, such as labor.

[4] Conn. Gen. Stat. § 16-19tt.

[5] Aquarion's last rate application was submitted on March 28, 2013, in Docket No. 13-02-20, Application of Aquarion Water Company of Connecticut to Amend Its Rates.

[6] The September 24, 2013 Decision in Docket No. 13-02-20 previously set Aquarion's ROE at 9.63%.

[7] UI's last rate application was submitted on July 1, 2016, in Docket No. 16-06-04, Application of The United Illuminating Company to Increase its Rates and Charges.

[8] UI proposed $91.055 million in additional revenues in the initial rate year, $20.120 million in rate year 2, and $19.466 million in rate year 3. In total, this represented an increase over the currently allowed base distribution revenues of approximately 35%.

SECTION 2: PERFORMANCE BASED REGULATION

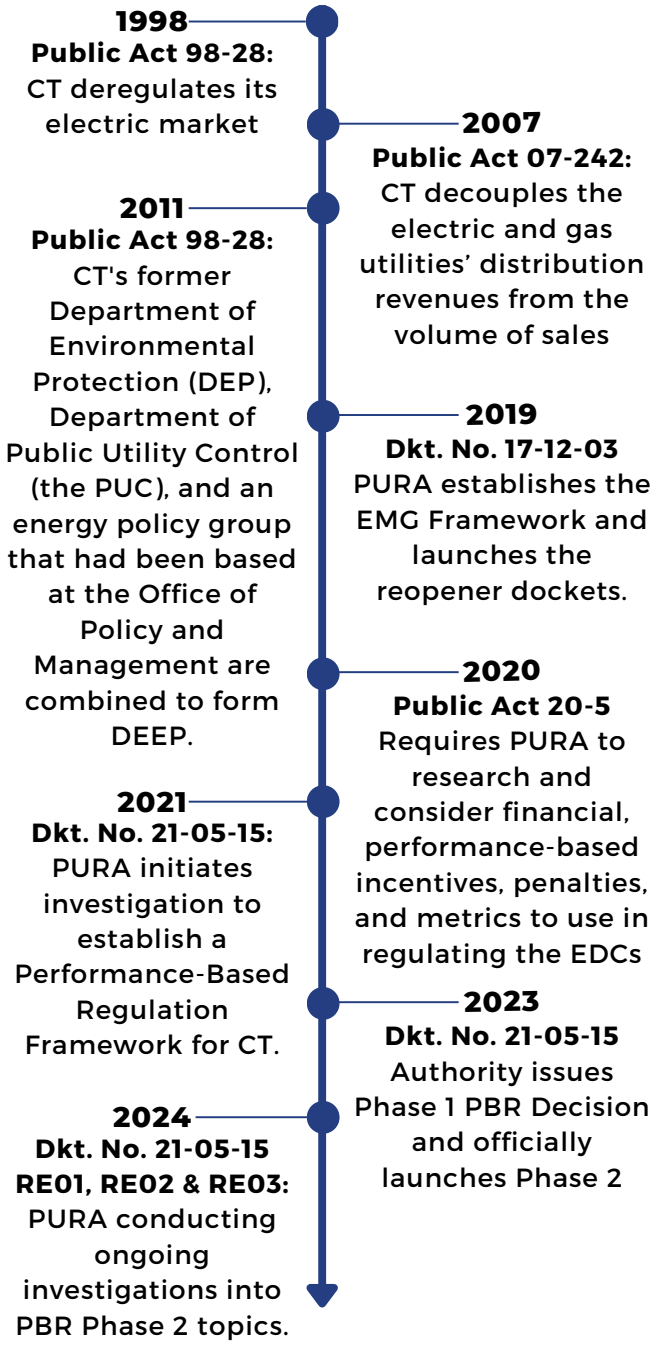
THE EXPANDING SCOPE OF UTILITY REGULATION

At both the national and state levels, the scope of utility regulation has expanded beyond safety, reliability, and affordability and has evolved to now also include 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 Connecticut, Public Act 08-98, An Act Concerning Connecticut Global Warming Solutions, set a goal to reduce economy-wide emissions to 80% below the 2001 level by 2050. Additionally, the Connecticut General Assembly has directed PURA and the utilities to develop and implement multiple programs in pursuit of Connecticut's public policy goals that include renewable energy deployment, energy storage, electric vehicle charging, energy justice, resiliency, and more. More recently, PURA catalyzed Connecticut's grid modernization efforts through the 2019 establishment of the Equitable Modern Grid Framework in Docket No. 17-12-03, PURA Investigation into Distribution System Planning of the Electric Distribution Companies, (EMG Framework), deploying programs and regulatory procedures across a range of topics from reliability and resilience standards to zero emissions vehicles, as discussed in Section 3.

However, the legacy business model and operations of the EDCs are fundamentally at odds with such trends in public policy. The EDCs' ability to meet the core requirements of delivering safe, clean, reliable, and affordable electric service to customers is becoming increasingly complex and challenging in the midst of significant industry change and the present and future impacts of climate change.

Technology advances and falling costs have accelerated the adoption of distributed energy resources (DERs), giving customers greater control over their ability to generate and consume electricity independently from the grid. Additionally, the proliferation of DERs requires a more distributed electric grid that can better accommodate and manage bidirectional flows of energy and is likely to require additional investment to upgrade systems and infrastructure to optimally integrate and utilize these resources. Further, these conditions are all occurring against a backdrop of increasingly severe and frequent weather events. With every aspect of the economy and customers' daily lives dependent on reliable access to electricity for power, heating and cooling, internet service, and so much more, it is essential that any electricity outage be minimized to the greatest extent possible. Such a necessarily high bar may be increasingly difficult to meet in the face of an electric grid in transition and the more extreme temperatures and more frequent or intense storms associated with climate change.

Figure 4: Historical Evolution of Utility Regulation in Connecticut



Against this backdrop and in recognition of these trends, in 2020, 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. In other words, PURA is required to design a performance-based

regulatory framework (PBR Framework) that cost-effectively incentivizes the EDCs to achieve all the outcomes desired from Connecticut's electric grid, including but not limited to: reliability, safety, affordability, emergency responsiveness, cost-efficiency, equity, customer satisfaction, municipal engagement, resilience, and the advancement of the state's environmental and climate policy goals. This PBR Framework will provide a set of tools to reform legacy regulatory structures to enable innovations within modern power systems.

PBR INVESTIGATIONS IN CONNECTICUT

On May 25, 2021, the Authority initiated Docket No. 21-05-15, PURA Investigation into a Performance-Based Regulation Framework for the Electric Distribution Companies, to investigate, develop, and adopt this PBR framework in Connecticut. To help ensure a successful outcome, the Authority established a two-phase process. The purpose of Phase 1 was to: (1) consider regulatory goals and (2) desired public outcomes to inform a PBR framework; (3) evaluate the current regulatory framework in Connecticut to examine which incentive mechanisms and regulatory components may not be functioning as intended or are no longer aligned with the public interest, and to identify specific areas of utility performance that should be targeted for improvement; (4) assess which regulatory mechanisms can best address the specific areas of interest; and (5) identify specific performance metrics, where appropriate.

On April 26, 2023, the Authority issued a Decision in Docket No. 21-05-15, summarized below, concluding Phase 1 and formally launching Phase 2 by initiating three reopener dockets, each focused on further investigating a distinct element of PBR:

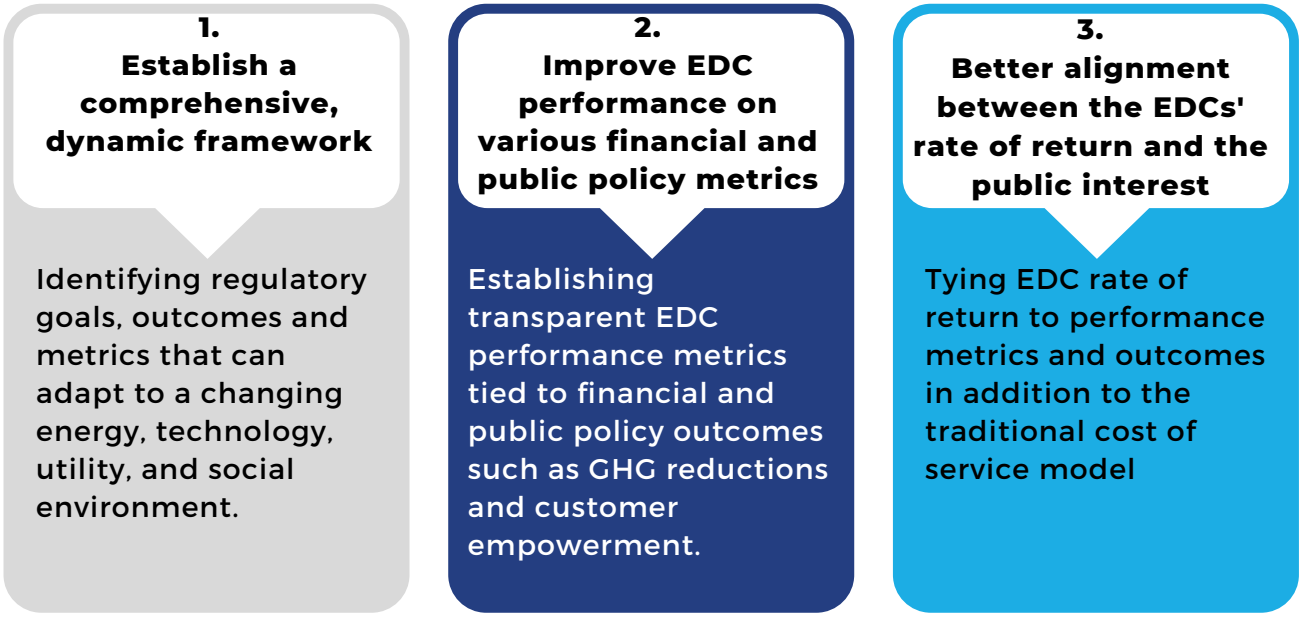
- Docket No. 21-05-15RE01: Revenue Adjustment Mechanisms
- Docket No. 21-05-15RE02: Performance Mechanisms
- Docket No. 21-05-15RE03: Integrated Distribution System Planning

Through these three Phase 2 proceedings, the Authority continues to 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.

The PBR Framework is anticipated to alter the way utilities are regulated in Connecticut. The legacy regulatory framework used to ensure safe and reliable electricity at reasonable prices from capital-intensive electricity monopolies is now adjusting to a wave of disruptive technological advances that impact the way utilities earn revenues and what value customers expect from their own EDC. Indeed, the Authority views PBR as a means to revisit the principles of utility regulation and to re-apply these core tenets

in the context of an increasingly decarbonized, digitized, and distributed electricity system. The benefits of PBR converge around three main issues shown by Figure 5:

Figure 5: Objectives of PURA's PBR Proceedings



PBR Phase 1 Decision (Docket No. 21-05-15)

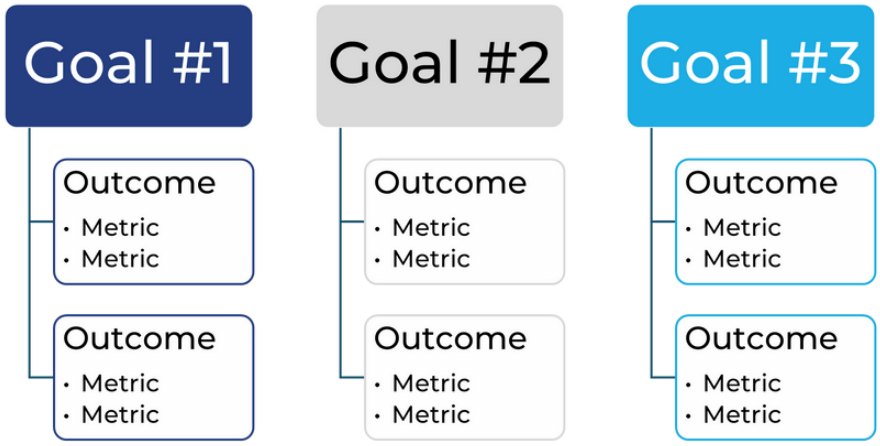
As introduced above, Docket No. 21-05-15, PURA Investigation into a Performance-Based Regulation Framework for the Electric Distribution Companies, was initiated by the Authority on May 26, 2021, pursuant to Section 1 of the Take Back our Grid Act, with the purpose of developing a PBR Framework for Connecticut's electric utilities. After retaining a consultant to provide additional supporting expertise in PBR framework development, the Authority announced a two-phase approach to the proceeding, where Phase 1 would establish a foundation from which to implement modifications and/or refinements to the current regulatory framework in Phase 2.

Throughout 2022, PURA held two public comment sessions and four stakeholder workshops, issued five requests for written comments, and published two concept white papers and a straw proposal in pursuit of the Phase 1 steps. The Authority's rigorous analysis and stakeholder input collection during this time culminated in the Authority's Phase 1 Final Decision, issued on April 26, 2023. The results of this Decision are discussed below.

Goals and Outcomes

Identifying and implementing strategies for encouraging and enforcing utility performance requires a foundation of specific regulatory goals and desired public outcomes. This base then informs the metrics used to measure the EDCs' performance. Figure 6 displays this structure.

Figure 6: PBR Goals-Outcomes Hierarchy Framework



Through this hierarchy, broad regulatory goals, which are high-level by nature, are broken down into clear and measurable actions and results, giving PURA a transparent lens through which to evaluate whether and how the goals are being achieved. While goals represent the "big picture" objectives for utility regulation, outcomes are a more specific set of factors that are closely related to utilities' operations and business decisions, and metrics are the most specific and fundamental indicators of progress toward outcomes, and ultimately, goals.

The goals, and outcomes adopted by the Phase 1 PBR proceeding are the product of significant stakeholder input and are designed with the interest of ratepayers and benefits to the public in mind. They also have broad applicability to all utility regulatory matters allowing them to guide current and future utility regulation in Connecticut. The selected goals are rooted in the longstanding and vital regulatory goals of safety, reliability, and affordability, as well as the four objectives of the EMG Framework. The selected goals are described in Table 2 below.

Table 2: PBR Goals and Definitions Established in Phase 1

Goals	Definitions
Excellent Operational Performance	Achieve the highest standards for EDC performance in terms of efficiency, reliability, resiliency, and supply.
Public Policy Achievement	Meet state-level GHG emissions, decarbonization and DER deployment targets and enhance environmental protection and equity measures.
Customer Empowerment and Satisfaction	Beyond traditional customer satisfaction metrics, empower EDC customers to take greater control of their energy services (e.g., deploying DERs and other grid-edge technology, reducing their carbon footprint, etc.) and expenditures (e.g., lowering their monthly utility bill.
Reasonable, Equitable, and Affordable Rates	Ensure customers across all socioeconomic classes receive reasonable rates and equitable access to the same products and services.

It is important to understand that there is inherent conflict between and within some legacy regulatory goals and the EMG objectives. For example, the achievement of public policy goals such as decarbonization may require additional costs that could strain the achievement of affordable rates in the short term. Such tension between goals cannot be resolved through pursuit of a "perfect" regulatory goal design; rather, finding an appropriate balance of such potential conflicts is both the work of the Phase 2 proceedings and the ongoing work of providing, regulating, and advocating for just and reasonable public utility services. In other words, the apparent tension between the above goals is a fundamental aspect of utility regulation.

Following the selection of these four regulatory goals, PURA, with input and feedback from participants and stakeholders, identified a set of priority public outcomes using a set of five factors:

- Participant and stakeholder priorities;
- Alignment with EMG objectives and other public policy goals;
- How well the proposed outcomes are supported by the existing regulatory framework;
- Magnitude and timing of public benefits; and
- Feasibility of outcome success through alternative regulatory mechanisms.

The result is a set of nine stakeholder-supported priority outcomes, shown by Table 3 below, that will facilitate progress and measurable performance toward the regulatory goals, while ensuring flexibility and a comprehensive approach.

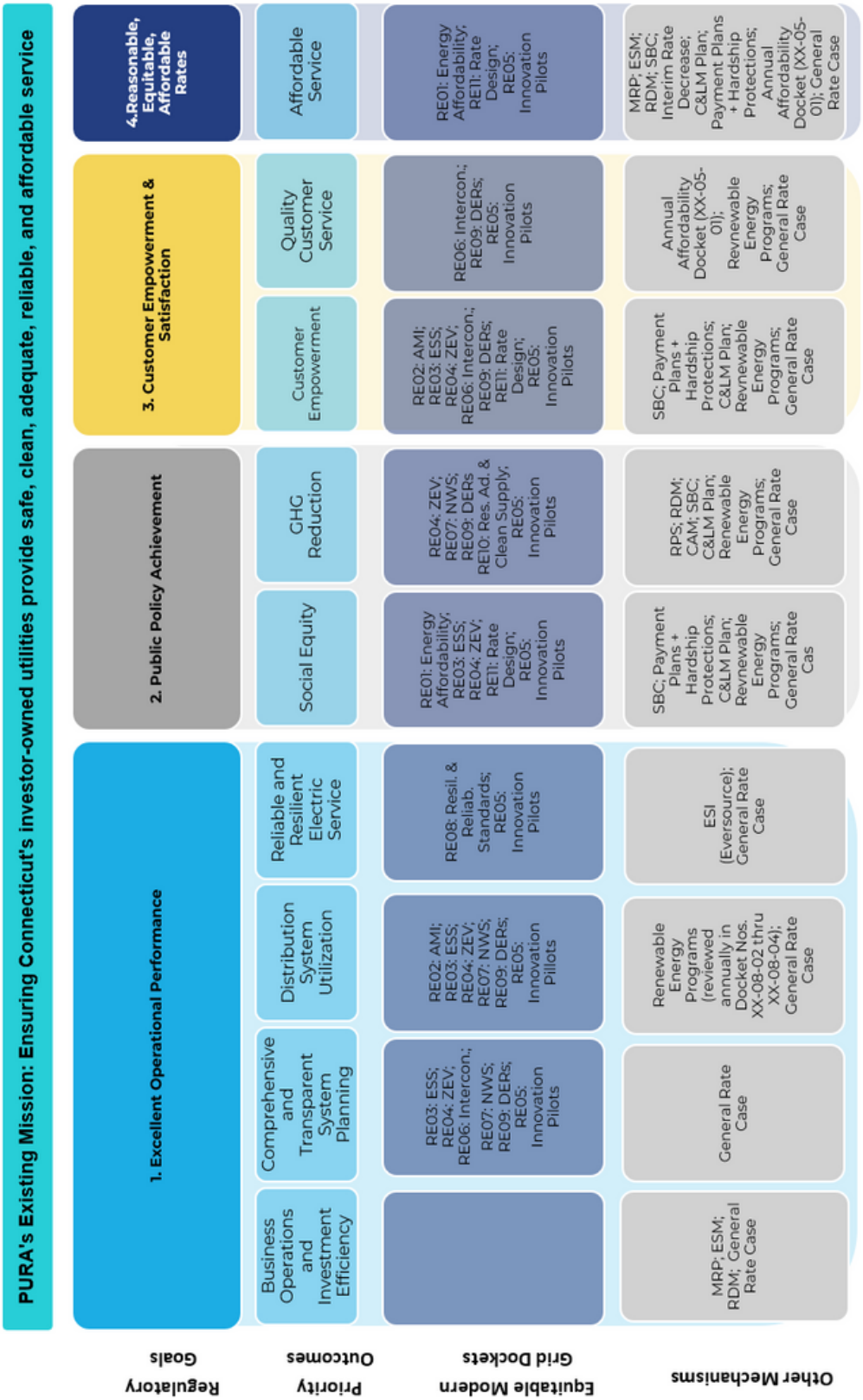
Table 3: PBR Priority Outcomes Established in Phase 1

Goals	Outcomes
Excellent Operational Performance	• Business Operations and Investment Efficiency • Comprehensive and Transparent System Planning • Distribution System Utilization • Reliable and Resilient Electric Service
Public Policy Achievement	• Social Equity • GHG Reduction
Customer Empowerment and Satisfaction	• Customer Empowerment • Quality Customer Service
Reasonable, Equitable, and Affordable Rates	• Affordable Service

Each EMG Framework docket, and all other dockets in the electric sector, can now be identified to support specific regulatory goals and priority outcomes. Figure 7 below provides a visualization of the relationship between the regulatory goals and priority outcomes, the EMG dockets, and other existing mechanisms. As with all of its work, the Authority will strive to balance competing and, at times, potentially conflicting

objectives in Phase 2 in pursuit of optimally achievable results for Connecticut ratepayers.

Figure 7: Visual Map of PBR Goals and Outcomes' Relationships with EMG



Ultimately, the regulatory goals and priority outcomes adopted in the Phase 1 PBR Decision are rooted in, and have broad applicability to, all utility regulatory matters and, as such, will guide current and future utility regulation in Connecticut.

Additional PBR Phase 1 Resources

- Final Decision
- Procedural Record

PBR Phase 2 Topics and Procedural Plan

Phase 2 of the PBR Framework development focuses on establishing or modifying mechanisms to ensure the achievements of the established regulatory goals and priority outcomes and the necessary metrics to track progress towards these goals and outcomes. The Phase 1 PBR Decision identifies the regulatory mechanisms that PURA is investigating in Phase 2 and how they map back to the priority outcomes.

Table 4: PBR Phase 2 Regulatory Mechanisms by Topic Area

Regulatory Mechanism Category	Regulatory Mechanism	Investigation Description	Likely Priority Outcomes Served
Revenue Adjustment Mechanisms: Regulatory tools designed around a utility's revenue requirement aimed at better aligning the utility's financial incentives with regulatory principles or a desired outcome.	Multi-Year Rate Plan (MRP) and Indexed Revenue Cap	Consider a revised MRP design, including an appropriate control period, and an Externally-Indexed Revenue Cap approach that allows for interim adjustments pursuant to a revenue cap index formula.	• Business Operations and Investment Efficiency • Affordable Service
	Earnings Sharing Mechanism (ESM)	Examine whether the existing ESM provides a fair and equitable sharing of earnings between the EDC and customers when earnings fall outside an Authority-approved range and is consistent with the implementation of any PIMs.	• Business Operations and Investment Efficiency • Affordable Service
	Revenue Decoupling	Explore advanced uses of revenue decoupling that both true up revenues to an annual revenue target and protect customers' interests.	• Distribution System Utilization • Customer Empowerment • GHG Reduction
	Capex / Opex Equalization	Explore development of approaches to equalize treatment of capital expenditures and operating expenditures.	• Business Operations and Investment Efficiency • Comprehensive and Transparent System Planning • Affordable Service

Regulatory Mechanism Category	Regulatory Mechanism	Investigation Description	Likely Priority Outcomes Served
Performance Mechanisms: Regulatory tools used to track, measure, and/or possibly incent EDC behavior through achievement of performance targets.	Reported Metrics	Develop a portfolio of reported metrics to highlight activities under several priority outcomes.	• Affordable Service • Social Equity • Reliable and Resilient Electric Service • Comprehensive and Transparent System Planning
	Scorecards	Design and publish scorecards with targeted performance levels to track progress against several priority outcomes.	• Reliable and Resilient Electric Service • Business Operations and Investment Efficiency • Quality Customer Service • GHG Reduction
	Performance Incentive Mechanisms (PIMs)	Implement a set of PIMs designed to help drive achievement of several priority outcomes.	• Reliable and Resilient Electric Service • Customer Empowerment • Distribution System Utilization
Other Regulatory Mechanisms: Additional mechanisms that do not qualify as revenue adjustment mechanisms or performance mechanisms.	Integrated Distribution System Planning (IDSP)	Establish a comprehensive, transparent, and stakeholder-informed IDSP process that is integrated with considerations regarding grid-edge technologies, DERs, electric vehicles (EVs), and other beneficial electrification initiatives. This effort could also explore the refinement of data-sharing mechanisms and standards.	• Comprehensive and Transparent System Planning • Distribution System Utilization • GHG Reduction16F

As shown above, these various regulatory mechanisms can be grouped into three distinct categories: revenue adjustment mechanisms; performance mechanisms; and other regulatory mechanisms. As such, Phase 2 consists of three reopener proceedings, Docket Nos. 21-05-15RE01, 21-05-15RE02, and 21-05-15RE03, to investigate each of these categories of regulatory mechanisms. The Authority initiated each of these three reopener proceedings on May 3, 2023.

PBR Phase 2 Progress

The Authority remains committed to advancing the PBR reopener dockets at an ambitious but achievable pace. While the timelines are flexible and docket completion

dates remain tentative, the Authority aims for issuance of a Proposed Final Decision in both Docket Nos. 21-05-15RE01 and 21-05-15RE02 by the end of 2024 and the completion of all three proceedings by 2025. These deadlines were designed to ensure ample opportunity for frequent and detailed stakeholder participation through technical meetings and opportunities to comment. The following summarizes the substantive focus and progress in each of the three reopeners through year-end 2023.

21-05-15RE01: Revenue Adjustment Mechanisms

The first PBR reopener is investigating potential modifications and additions to Revenue Adjustment Mechanisms (RAM). Specifically, these include: Multi-Year Rate Plans (MRP); Earnings Sharing Mechanisms (ESM); the Revenue Decoupling Mechanism (RDM); and potential Capex / Opex Equalization Measures. As the MRP is the primary mechanism governing EDC cost recovery through base rates, it will be the main focus of this investigation. By necessity, the ESM, RDM, ARM, and Capex / Opex Equalization will also be reviewed as mechanisms related to the MRP; however, such review may or may not result in reforms during Phase 2 if none are deemed necessary to advance priority outcomes. Moreover, the Authority plans to review, consider, and investigate the MRP, ESM, RDM, ARM, and Capex / Opex Equalization as a group of Revenue Adjustment Mechanisms in Phase 2 to account for the interrelationships and collective results of such mechanisms and proposed modifications.

The discovery, analysis, and deliberation of the Revenue Adjustment Mechanisms reopener will culminate in a Final Decision that provides guidance for subsequent EDC rate cases. Though this articulated endpoint may evolve over the course of the proceeding, any material changes will be communicated publicly through Docket No. 21-05-15RE01.

Table 5 provides a summary of the procedural events that have occurred to date, and the upcoming events and opportunities for participation.

Table 5: 21-05-15RE01 Procedural Schedule Summary

Event	Date
Technical Meeting #1	7/31/23
Technical Meeting #2	8/23/23
Technical Meeting #3	9/05/23
Technical Meeting #4	9/18/23
Written Comments Round 1	9/29/23
Straw Proposal	11/16/23

Event	Date
Written Comments on Straw Proposal	12/21/23
Technical Meeting #5	1/10/24
Technical Meeting #6	2/14/24
Technical Meeting #7*	3/30/24 Register
Written Comments Round 3*	5/31/24
Technical Meeting #8*	6/7/24 Register
Hearing*	9/9/24 Register
Briefs*	10/9/24
Proposed Final Decision*	11/22/24
Final Decision Issued*	1/15/25

*Tentative

21-05-15RE02: Performance Mechanisms

The second PBR reopener is investigating potential modifications and additions to Performance Mechanisms. These include: Reported Metrics; Scorecards; and Performance Incentive Mechanisms (PIMs). These elements of the state's regulatory structure provide transparency of information with respect to EDC performance and will help measure achievement of the regulatory goals and priority outcomes adopted in this Decision. The Authority intends to review this group of performance mechanisms as a portfolio to account for the interrelationships and collective results of such mechanisms and proposed modifications. The relationship between an EDC's revenues and profits and its performance and financial incentives requires that the substance of Docket Nos. 21-05-15RE01 and 21-05-15RE02 be developed with mutual consideration of each.

The discovery, analysis, and deliberation of the Performance Mechanisms reopener will culminate in a final Decision to align existing reported metrics within the PBR Framework and elsewhere and to adopt new metrics effective immediately where necessary. Additionally, this reopener docket's final Decision will establish scorecards to be implemented as soon as practicable and PIMs likely to be implemented in the subsequent EDC rate cases. The final Decision in Docket No. 21-05-15RE02 will include the requisite detail for implementation, including but not limited to, metric and scorecard reporting frequency, the format and venue for reporting, targets and benchmarks in the case of scorecards, and impact on return on equity in the case of PIMs. Though this articulated endpoint may evolve over the course of the proceeding,

any material changes will be communicated publicly through Docket No. 21-05-15RE02.

Table 6 provides a summary of the procedural events that have occurred to date, and the upcoming events and opportunities for participation.

Table 6: 21-05-15RE02 Procedural Schedule Summary

Event	Date
Working Group Meeting #1	6/22/23
Working Group Meeting #2	7/17/23
Working Group Meeting #3	7/27/23
Written Comments Round 1	8/21/23
Working Group Meeting #4	8/29/23
Technical Meeting #1	9/11/23
Written Comments Round 2	10/2/23
Technical Meeting #2	10/12/23
Technical Meeting #3	12/12/23
Written Comments Round 3	12/15/23
Straw Proposal*	3/14/24
Technical Meeting #4*	3/27/24 Register
Straw Proposal Comments*	4/17/24
Technical Meeting #5*	6/10/24 Register
Public Listening Session*	7/16/24 Register
Public Listening Session*	7/18/24 Register
Hearing*	9/13/24 Register
Briefs*	10/16/24
Proposed Final Decision*	11/27/24
Final Decision*	1/22/25

*Tentative

21-05-15RE03: Integrated Distribution Planning

The third and final PBR reopener will investigate the establishment of an Integrated Distribution System Plan (IDSP). Such planning among EDCs is a growing industry standard to anticipate and accommodate the proliferation of DERs and grid-edge technologies on the distribution system. This investigation is expected to encompass three key areas: (1) EDC systems and processes that support IDSP, including but not limited to internal planning, operations, and Information Technology systems; (2) operations and optimization of the grid; and (3) IDSP structure and process.

Given the interrelationship between these topic areas and various other dockets, the Authority intends to take a holistic approach that considers elements of IDSP currently in effect in Connecticut. Various elements of IDSP currently exist in Connecticut, for example: EDC hosting capacity maps and the Non-wires Solutions (NWS) Process recently established in Docket No. 17-12-03RE07, PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Non-Wires Alternatives, (see Section 3 for more information on the NWS Process). Additionally, the EDCs already conduct some version of load forecasting and assess grid needs to inform capital investments – both of which are core practices of IDSP.

As a result, this proceeding will focus on documenting the existing components of IDSP, reviewing and evaluating the systems and processes that support IDSP, making components of IDSP more transparent and better connected where necessary, and establishing a public and transparent IDSP process and reporting standard(s). Furthermore, the Final Decision adopted in Docket No. 21-05-15RE03 will replace the IDSP requirements in the EMG Decision. Though this articulated endpoint may evolve over the course of the proceeding, any material changes will be communicated publicly through Docket No. 21-05-15RE03.

Table 7 provides a summary of the procedural events that have occurred to date, and the upcoming events and opportunities for participation.

Table 7: 21-05-15RE03 Procedural Schedule Summary

Event	Date
Technical Meeting #1	9/20/23
Technical Meeting #2	11/08/23
Technical Meeting #3	1/11/24
Technical Meeting #4	2/6/24

Event	Date
Technical Meeting #5*	3/6/24 Register
Technical Meeting #6*	4/2/24 Register
Technical Meeting #7*	5/14/25 Register
Technical Meeting #8*	6/11/24 Register
Concept Paper*	9/19/24
Written Comments Round 1*	10/9/24
Technical Meeting #9*	10/22/24 Register
Technical Meeting #10*	12/03/24 Register
Straw Proposal*	2/6/25
Written Comments Round 2*	2/27/25
Hearing	5/13/25 Register
Briefs*	6/3/25
Proposed Final Decision*	7/8/25
Final Decision*	8/20/25

*Tentative

PBR Implementation in Rate Cases

A key driver of the Authority's ambitious timelines for these Phase II proceedings is the ability to utilize the completed framework for the next set of EDC rate cases. Much of the PBR reforms outlined in the Final Decisions in Docket Nos. 21-05-15RE01 and 21-05-15RE02 will be implemented through such rate cases.

SECTION 3: GRID MODERNIZATION

The electric sector and its infrastructure are the veins and arteries that power modern society. Nationally, the electric sector accounts for approximately 5% of the gross domestic product (GDP). Indirectly, the electric sector contributes much more, enabling businesses and industry to create the goods and services that make up the remaining 95% of the GDP and improving productivity, health, safety, comfort, and convenience. However, today's electric grid faces new and growing challenges such as rising energy demand, growing deployment of distributed energy generation resources (DERs) like rooftop solar, ambitious climate and energy policies, and increasing storm frequency and intensity. These, and other challenges, are impacting the affordability, resilience, and reliability of our electric distribution system.

In response to these challenges, PURA determined that it needed a distinct strategy for grid modernization, separate from traditional electric sector regulation. In October 2019, PURA issued an Interim Decision in Docket No. 17-12-03, PURA Investigation into Distribution Planning of the Electric Distribution Companies (EMG Interim Decision) outlining the Authority's framework for investigating both near- and long-term strategies to implement an Equitable Modern Grid (EMG) for Connecticut. This framework is designed to foster innovative solutions that address the major challenges and opportunities facing the electric sector and has four objectives:

- Support (or remove barriers to) the growth of Connecticut's green economy;
- Enable a cost-effective, economy-wide transition to a decarbonized future;
- Enhance customer access to a more resilient, reliable, and secure commodity; and
- Advance the ongoing energy affordability dialogue in the state, particularly in underserved communities.

All four objectives are inextricably connected and, thus, no single objective can be accomplished without the others if an Equitable Modern Grid is to be achieved. Similarly, the whole of an Equitable Modern Grid is greater than the sum of its parts, as the realization of each objective can further the achievement of the others.

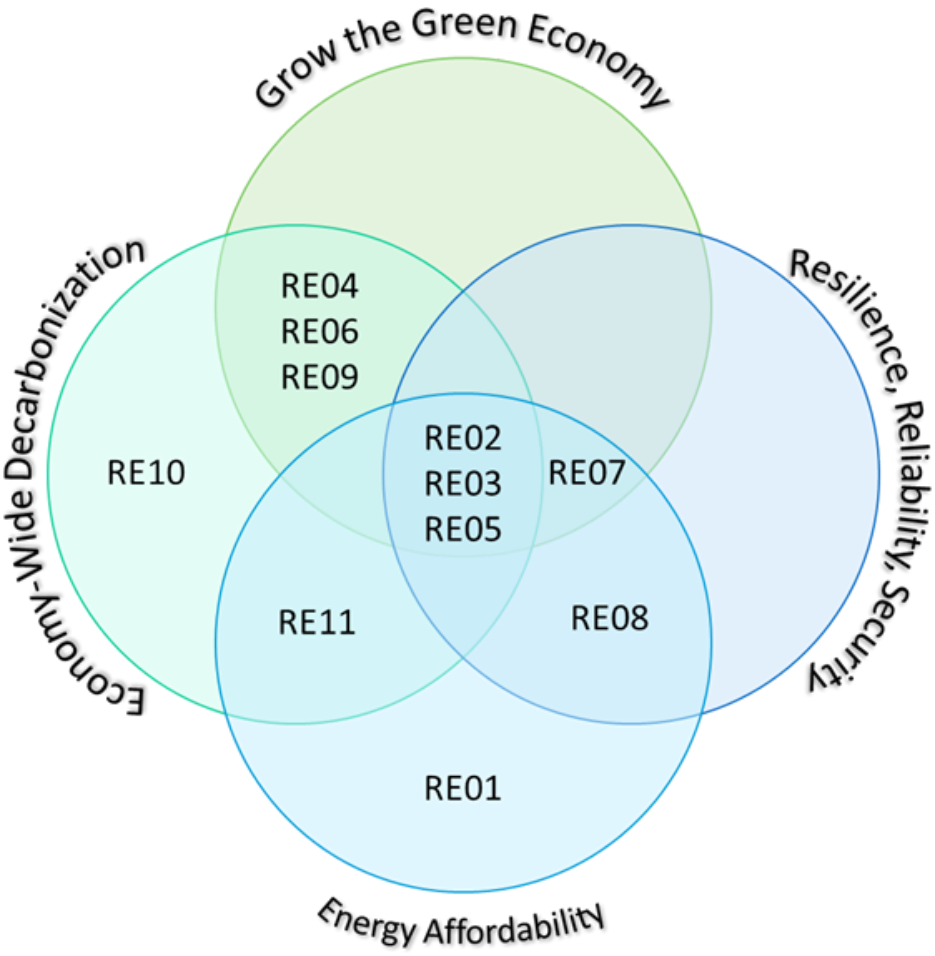
What is a "reopener docket"?
A docket that is initiated to either reassess or continue evaluating a specific part of the original docket's decision. It helps to maintain continuity between related dockets. "Reopened" proceedings use the naming convention "##-##-##re0#" in PURA's docket database.

The 2019 EMG Interim Decision introduced 11 sub-topics for further investigation through a series of "reopened" proceedings, where PURA has been and, in one case, continues to evaluate potential solutions for their cost-effectiveness and ability to meet the objectives of the framework in the long-term. Since 2019, PURA has initiated decisions or final reports in all 11 reopeners, with several having moved into the annual program review stage. The reopeners and their progress are as follows:

Figure 8: Progress Across EMG Reopener Dockets

Though each reopener contributes towards all four EMG objectives, some further more of the objectives than others. Figure 9 below helps to demonstrate the relationship between each topic and the EMG objectives, and PURA's strategy to ensuring all four are accomplished through this comprehensive approach.

Figure 9: Reopener Alignment with EMG Objectives



KEY GRID MODERNIZATION TOPICS IN 2023

As demonstrated by Figure 9 above, each EMG reopener docket addresses one or more of the original EMG Interim Decision objectives. As of January 3, 2024, the Authority has now issued final decisions or reports in all 11 of the EMG reopener dockets and has moved on to full implementation of the programs and policies designed by these final documents.

In 2023, in addition to its numerous program annual review dockets, the Authority issued multiple groundbreaking grid modernization decisions, each supporting the EMG Framework as a whole, and making significant contributions towards the Framework's objectives. In Docket No. 23-05-01, Annual Review of Affordability Programs and Offering

(Energy Affordability Annual Review), PURA's October 11, 2023, Final Decision assessed the ongoing residential energy affordability programs offered by the state's regulated electric and gas utilities, as well as the 2024 implementation of the residential Low-Income Discount Rate (LIDR) and changes to the Matching Payment Plan (MPP) program as directed by Section 30 of Public Act 23-102, An Act Strengthening Protections for Connecticut's Consumers of Energy. In Docket No. 22-08-07, Innovative Energy Solutions Program Cycle 01, the Authority's December 13, 2023, Decision, formally approved seven innovative projects for pilot funding beginning in 2024. Additionally, PURA released a Final Legislative Report on December 13, 2023, in Docket No. 23-08-09, Annual Electric Distribution Company Reliability and Resilience Framework Review, reporting on the reliability of each EDC. In Docket No. 22-06-29, PURA Investigation into Distribution Energy Resource Interconnection Cost Allocation, PURA's December 20, 2023, Decision revises the policy regarding how to allocate distribution system upgrade costs that result from the interconnection of residential DER projects. The Authority also issued a decision in Docket No. 22-06-05, PURA Implementation of Public Act 22-55, on December 20, 2023, reviewing EDC proposals for front of the meter (FTM) storage resources under the framework it had previously designed in 2022.

In addition, as a result of significant Authority analysis and stakeholder input throughout 2023, PURA also issued important grid modernization final decisions in early 2024. In Docket No. 17-12-03RE02, PURA Investigation Into Distribution System Planning Of The Electric Distribution Companies – Advanced Metering Infrastructure, PURA's January 3, 2024, Decision establishes a framework that serves as a regulatory roadmap for the EDCs to invest in advanced metering infrastructure (AMI), while protecting ratepayers and advancing the state's policy goals. In Docket No. 17-12-03RE10, PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Building Blocks of Resource Adequacy and Clean Electric Supply, PURA issued a Final Legislative Report on February 1, 2024. This report outlines the Authority's investigation into the procurement of Standard Service (SS) for EDC customers in accordance with Section 16 of Public Act 23-102, An Act Strengthening Protections for Connecticut's Consumers of Energy. Further details on each of these decisions are discussed below.

Progress Advancing Energy Affordability

Each year, PURA conducts a comprehensive review of the energy affordability and arrearage forgiveness programs (AFP) offered by the EDCs and LDCs through one consolidated proceeding. The Annual Review process provides the Authority with an opportunity to assess these programs' effectiveness at addressing ongoing energy affordability issues, particularly for low-income or disadvantaged communities, as well as their impact on reducing overall unpaid utility bills. The programs available to help customers pay their bills are the result of collaboration between the Authority, the utilities, the Office of Consumer Counsel, EOE, the Department of Social Services (DSS), the General Assembly, low-income and community advocates, and other stakeholders

with a commitment to ensuring these offerings are as helpful to customers as possible. These programs include the following summarized by Table 8:

Table 8: Connecticut Energy Affordability and Arrearage Forgiveness Programs

Program or Policy	Definition	Eligibility	Enrollment Process
Hardship Verification	A designation that protects residential customers from service shutoff during the winter and makes them eligible for certain energy affordability programs. Medical protection status is also available to customers with serious or life-threatening medical conditions.	Customers who receive public assistance benefits from DSS, have a household income of <60% of State Median Income (SMI), or have a serious or life-threatening medical condition.	Contact your electric utility, or your local Community Action Agency (CAA).
Connecticut Energy Assistance Program	Applies direct funding (typically in the range of $250-$600) towards your heating bill.	Customers who also receive public assistance benefits from DSS, or have a household income of <60% of State Median Income (SMI).	Apply directly at your local CAA.
Matching Payment Plan	A payment plan for hardship customers heating with electricity or gas with past-due balances. Each payment made by the customer is matched by the utility until the balance is eliminated.	Customers who qualify as medical or financial hardship through DSS or a Community Action Agency (CAA) who have past-due balances.	Contact your local natural gas or electric utility company, or CAA directly.
Flexible Payment Plan	A payment plan for any active electric, residential customer with a past-due balance. Customers make monthly payments to prevent service shutoff.	Any active electric, residential customer of Eversource or United Illuminating.	Contact your electric utility company directly.

These programs are designed to ensure that as many customers and their varying circumstances can be addressed as possible. The Authority conducted its review of the 2022-2023 Program Year for these programs through Docket No. 23-05-01, Annual Review of Affordability Programs and Offerings (Energy Affordability Annual Review). Key findings, issues, and program modifications included in the October 11, 2023, Decision in this docket are discussed below.

Matching Payment Plan (MPP) Program

Connecticut law provides that residential electric or gas heating customers with unpaid utility bills who meet either income or medical qualifications are eligible to enter into an amortization agreement with their utility to reduce their unpaid balance. The Matching Payment Plan (MPP) program offered by Eversource and UI is the programmatic implementation of this law. Through the MPP, hardship customers (i.e., customers who receive public assistance benefits from DSS, have a household income of <60% State Median Income, or have a serious or life-threatening medical condition) are put on a payment plan to eliminate past-due utility balances. Each payment made by the customer is matched by the utility until the balance is eliminated.

Payment Calculation

Historically, a customer's monthly payment was calculated using the total of the last 12 months of a customer's bills, less any award from the Connecticut Energy Assistance Program (CEAP), divided by 12. However, this calculation methodology required modification due to the launch of LIDR on January 1, 2024. Accordingly, the Authority modified the monthly payment calculations for the MPP program to use the average of the past 12 months of kWh usage, multiplied by the average of the past 12 months of retail rates.

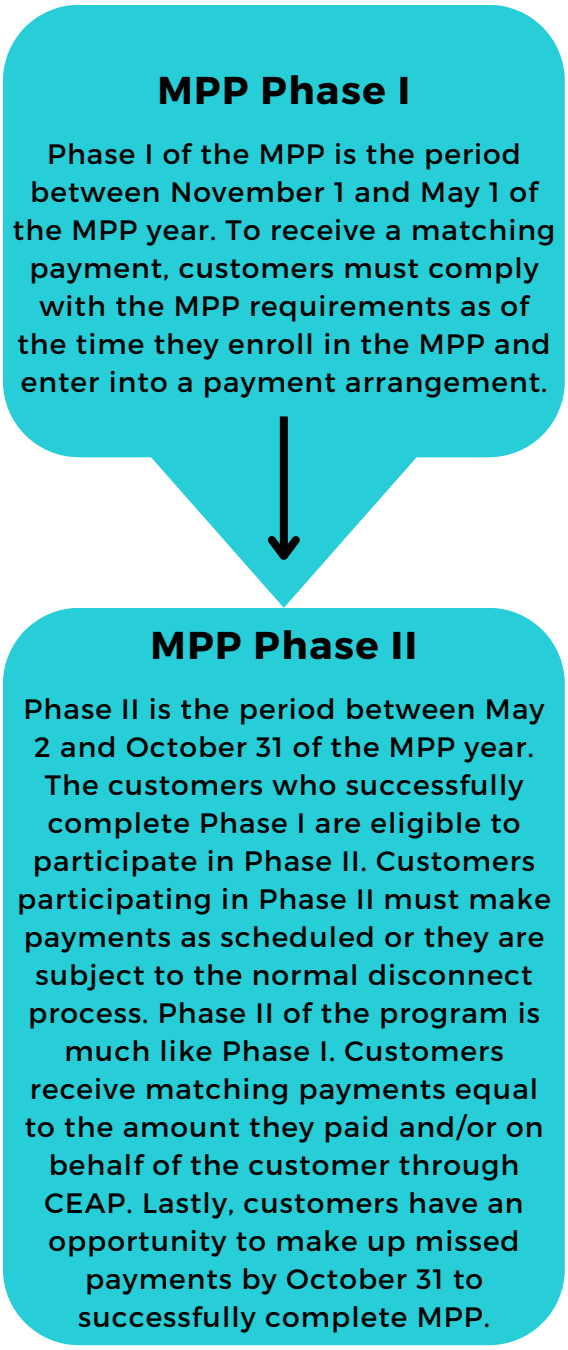
Annual Participation Metrics

In the 2022-2023 MPP Program year, 68,695 customers participated in MPP. The Authority found that all companies saw an increase in MPP enrollment, up from 60,052 in the 2021-2022 MPP Program Year. This was likely driven primarily by the implementation of auto-enrollment for customers who participated the previous year. The Authority will continue to monitor the auto-enrollment process and its impact on MPP participation to identify any trends.

The Authority had previously established a goal of 65% of participants successfully completing payments between November 1 and May 1 of a given program year (Phase 1). Upon completing Phase 1, they receive their matching payment. During this program year, 59% of participants across Eversource, Yankee Gas, CNG, SCG, and UI successfully completed Phase 1. The companies all reported a variety of reasons that customers did not complete the program.

In evaluating the MPP and the utilities' explanations for a 59% completion rate, the Authority reached the conclusion that it may be necessary to re-examine what is considered success in the program, particularly where companies are seeing the same customer participate in MPP year after year. Therefore, the Authority directed the utilities to propose a revised definition of success for the MPP that includes, at a minimum, tracking the length of a customer's participation in the program to reach a zero past due balance. In advance of this proposal, the Authority also approved an expanded set of metrics used to track and assess participation rates going forward.

Figure 10: Participation Phases of MPP



Enrollment

Customers who participated in the MPP during the previous year who still have a past-due balance are automatically re-enrolled. Automatically enrolled customers receive a letter confirming their re-enrollment, identifying their monthly payment amount, and reminding them to apply for CEAP energy assistance. For customers that are newly enrolling, they need to demonstrate income eligibility and to apply for CEAP between November 1 and May 1.

In the 2023 Annual Review, PURA examined Eversource and UI's proposals implementing a rolling 12-month hardship verification designation, which serves as income eligibility. This will help minimize the number of steps that customers need to take to access the programs and help increase participation. After reviewing both companies' proposals and associated costs, the Authority directed both companies to implement rolling hardship verification by January 1, 2024, coincident with the launch of LIDR. The Authority did then allow an extension to Eversource until May 1, 2024.

Modifications to MPP Program by Public Act 23-102

Importantly, the enrollment requirements that have historically been used in the MPP program were modified, along with multiple other changes to the MPP, by

Section 30 of Public Act 23-102. The most significant amendments to MPP were to the eligibility criteria, the calculation of a customer's matching payment, and the timing of the distribution of matching payments. Specifically, the revised MPP is no longer tied to the heating source on which a residential customer relies. Additionally, residential customers are no longer required to apply and be eligible for benefits available under CEAP or a state-appropriated fuel assistance program. Rather, residential customers are now only required to meet the income eligibility requirements of CEAP or a state-appropriated fuel assistance program. Residential customers also must be eligible for financial hardship programs with the gas or electric distribution company. Residential customers are still required to authorize the gas or electric distribution company to send a copy of the customer's monthly bill directly to any energy assistance agency for payment and to enter into and comply with an amortization agreement that is consistent with decisions and policies of the Authority.

Throughout the proceeding, the Authority sought information from the utilities regarding implementation of the authorized changes to MPP, including costs and an associated timeline, to ensure its timely implementation. Both companies testified that the changes would take multiple months to implement. As such, the Authority directed the utilities to make the IT changes necessary to implement the New MPP no later than November 1, 2024, which is the start of next year's MPP program year, and to provide an update regarding such changes and the utilities ' implementation of the New MPP in the 2024–2025 AFP Plan in next year's annual affordability proceeding, Docket No. 24-05-01. The Authority also provided multiple points of clarification regarding the statute to ensure accurate implementation by November 1, 2024.

Therefore, the Authority permitted the utilities to continue using the eligibility requirements, the calculation of a customer's matching payment, and the timing of the distribution of matching payments (i.e., at the end of each phase) that were in place prior to the passage of Public Act 23-102, as described above for the 2023-2024 MPP Program Year. However, all changes directed by Public Act 23-102 must be in place by November 1, 2024. All other modifications made by the 2023 Annual Review to the MPP Program not affected by Public Act 23-102 will be implemented this winter (i.e., the 2023-2024 Program Year).

Low-Income Discount Rate (LIDR)

In 2022, PURA directed the EDCs to implement a LIDR with an overall eligibility cap at 60% State Median Income (i.e., Tier 1) and eligibility for Tier 2 aligned with existing state benefit programs (i.e., up to 160% FPG) through its October 19, 2022 Final Decision in Docket No. 17-12-03RE11, PURA Investigation into Distribution System Planning of the Electric Distribution Companies – New Rate Designs and Rate Reviews, (LIDR Decision). In Docket No. 23-05-01, PURA reviewed key LIDR issues including the utilities' eligibility verification and enrollment plan and how the LIDR will interact with MPP going forward, particularly with the implementation of Public Act 23-102.

Eligibility Verification and Enrollment

The LIDR Decision established multiple avenues for customers to verify eligibility and enroll on the LIDR. First, the EDCs must automatically enroll all customers designated as financial hardship and all electric customers receiving CEAP awards into Tier 1 of the LIDR. Second, each EDCs' customer service representatives (CSRs) must accept proof of verification documentation for Tier 1 or Tier 2 eligibility from customers who opt in to receive a LIDR. Finally, the Authority approved new MOUs between the EDCs and CAAs and Operation Fuel, Inc. (Operation Fuel) to encourage the enrollment of customers onto Tier 2 of the LIDR. The Authority further approved the EDC-developed list of eligible low-income or public assistance benefits to be used by CAAs and Operation Fuel to qualify eligible customers for Tier 1 or Tier 2.

The October 11, 2023, Decision in Docket No. 23-05-01 discussed ways to ensure that all eligible customers will be efficiently and correctly enrolled in the LIDR Tier for which they are eligible. One strategy that will help ensure this is through data-sharing agreements between DSS and the EDCs, which the utilities were on track to implement by January 1, 2024.

Additional Affordability Modifications

In addition to specific programmatic changes or direction regarding MPP or LIDR, the Authority also approved or directed changes in Docket No. 23-05-01 that will help improve energy affordability in Connecticut including changes to the companies' security deposit practices, late payment charge policies, and a plan to evaluate affordability for non-residential customers.

Security Deposits

The collection of security deposits is commonly cited as a strategy for prudently managing the cost of bad debt for residential customers (i.e., customer non-payment) by utilities. In Connecticut, the EDCs charge security deposits from non-hardship customers as a condition for connection. However, in a scenario where a customer is required to pay a deposit for service restoration after being shut off, given the number of available programs that should prevent service termination, the customer should instead be enrolled in those programs for which they are eligible. For new residential customers, where there may not be enough evidence to determine if the customer qualifies for a hardship designation (and therefore exempt them from paying a security deposit), the argument that a security deposit is the best practice for managing the cost of bad debt is still flawed since the benefit of imposing a security deposit is conditioned on the customer's ability to pay.

Accordingly, the Authority directed the utilities to remove the payment of a security deposit requirement for residential customers as of the date of the Decision, and to return any security deposits previously charged, plus any accrued interest to residential non-hardship customers. Additionally, PURA prohibited the utilities from refusing service

to a customer based on the customer's financial inability to pay a security deposit. As noted by Eversource, security deposits are among the highest dissatisfiers and escalated complaint types for residential customers. Thus, with a permanent suspension of residential security deposits, customer interactions are likely to improve and more effort can be placed on enrolling customers in an appropriate energy affordability program.

Late Payment Charges

The Authority evaluated the utilities' collection of late payment charges (LPC) from 2018 through 2022. Specifically, the Authority examined: (1) the utilities' average, maximum, and minimum LPCs incurred by customers by customer class (i.e., residential, and non-residential classes) for each year from 2018 through 2022; and (2) the impact LPCs have on the utilities' uncollectibles. The submitted data further distinguished the residential class by hardship and non-hardship customers.

The utilities' LPC data shows that the EDCs assessed higher LPCs compared to the gas companies. In addition, the maximum LPC amount charged by UI is the highest of all the utilities. The Authority review of the LPC data raises multiple concerns, including whether UI properly screened these customers for hardship eligibility and how many customers had service terminated because of their inability to pay their bills. The Authority will continue to monitor LPCs for each company in an effort to address these concerns. As such, the Authority ordered each of the utilities to submit the average, maximum, and minimum LPCs incurred by customers, by customer class, in the previous year; and the impact LPCs have on uncollectibles, no later than January 15, 2024, and annually thereafter in the relevant annual energy affordability docket.

Non-Residential Programs and General Affordability

In light of the recent significant increase in energy supply rates as of January 2023, PURA determined that these annual proceedings are an appropriate opportunity to also start explicitly examining the utilities' energy affordability offerings for non-residential programs, in addition to residential initiatives. The Authority requested data regarding non-residential terminations from each company and solicited comments on the respective available energy affordability programs. Collectively, the EDCs and LDCs reported over 7,000 non-residential terminations in 2022, which was nearly double that of 2021. This is likely primarily due to the end of the COVID-19 shut-off moratorium for non-residential customers in July 2021.

Both the Eversource and Avangrid companies offer Flexible Payment Arrangements to assist commercial and industrial customers with delinquent balances. Regardless, the Authority recognizes the need to investigate further the topic of non-residential affordability going forward. As such, Authority directed each of the utilities to provide the total amount of uncollectibles and the amount of uncollectibles attributable to residential (distinguished between hardship and non-hardship) and non-residential customers in the next annual affordability review, Docket No. 24-05-01. In addition, the

Authority directed the utilities to include the number of service terminations, the number of active flexible payment arrangements, and the average, minimum and maximum payments for non-residential customers. The Authority will use this data to examine the portion of uncollectibles attributable to non-residential customers and whether the current programs can improve to enhance energy affordability for non-residential customers.

Additional 2023 Affordability Review Resources

- Final Decision
- Eversource MPP Webpage
- UI MPP Webpage

Standard Service Procurement

Separate from the programs designed to reduce and eliminate overdue bill balances, and programs designed to lower bills overall for low-income customers, the Authority has also been investigating mechanisms to improve affordability for ratepayers overall. As previously discussed, customers' electric bills are comprised of costs grouped into three primary categories: generation or supply costs; distribution costs; and transmission costs. Transmission costs are the costs required to transmit energy on an interstate basis throughout the regional grid (ISO New England) and are federally regulated. The Authority regulates distribution costs, or the cost of delivering energy throughout Connecticut and directly to end-users, through rate cases, RAM proceedings, PBR, or other tools. The cost of the actual generation of energy is set competitively through the regional wholesale electricity market. In Connecticut's de-regulated electricity market, Eversource and UI do not own electricity generation resources that supply electricity to customers, but instead purchase electricity from the wholesale electricity market and pass that cost directly through to customers. These offerings are known as Standard Service (SS) for residential and small load customers and Last Resort Service (LRS) for commercial or large-load customers. Customers can choose to source their electricity supply from a third-party retail supplier[1] or from their EDC's SS or LRS default option.

Historically, electricity supply prices have been driven by factors such as the weather and its impact on demand for energy and the infrastructure available to meet energy demand (i.e., the capacity and fuel mix of available generation resources and the pipelines, transmission, or other infrastructure to transport fuel). In recent years electricity supply prices have been volatile due to macroeconomic factors such as the COVID-19 pandemic and the Russian invasion of Ukraine. Moreover, natural gas comprises approximately 45% of the New England regional fuel mix, ensuring that the price of natural gas plays an outsized role in driving the price of electricity in the wholesale markets. In 2022, the price of natural gas rose sharply, bringing the price of electricity in the ISO New England wholesale markets along with it. As a result, for the first half of 2023, the price of SS doubled for Eversource and UI residential customers compared to the prior six-month period. This significant increase in supply charges adversely impacted EDC customers with higher-than-expected electricity costs for household budgets and business

operations alike.

As a result, Section 16 of Public Act 23-102 directed PURA to evaluate the SS procurement process and submit a report regarding its findings to the General Assembly. On February 1, 2024, PURA issued a Final Report in Docket No. 17-12-03RE10, PURA Investigation into Distribution System Planning of the Electric Distribution Companies - Building Blocks of Resource Adequacy and Clean Electric Supply, and submitted a report to the Energy and Technology Committee of the Connecticut General Assembly. In this report, PURA reviewed Connecticut's existing SS Procurement Process and Objective Pathways Summary process and compared it with those of peer jurisdictions. Additionally, the Authority identified and considered potential modifications to the SS procurement process for consideration by the General Assembly.

By statute, Connecticut's SS Procurement Objectives are to achieve: (1) relatively low prices; (2) stable prices; and (3) market-based prices over time.[2] Each must be balanced with the others to achieve an outcome that optimizes all three. The Procurement Objectives are not mutually exclusive; however, different potential procurement process modifications may prioritize or advance one objective more-so than the others, or even at the expense of the others. As such, through this report, the Authority provided 10 potential SS procurement process modifications in the context of their potential impact on the three Procurement Objectives. Additionally, the Authority grouped together the potential procurement process modifications that serve the same SS Procurement Objectives to demonstrate potential pathways to achieving those objectives. potential SS procurement process modifications in the context of their potential impact on the three Procurement Objectives. Additionally, the Authority grouped together the potential procurement process modifications that serve the same SS Procurement Objectives to demonstrate potential pathways to achieving those objectives.

Importantly, the Authority is not advocating for specific modifications to the procurement process in this report. Instead, by taking the approach outlined above, the Authority is providing the Energy and Technology Committee, and the General Assembly more broadly, with a set of potential options, both individual steps and collective pathways, to achieve and balance the SS Procurement Objectives. The Authority also outlines some potential next steps including first, conducting additional outreach to wholesale suppliers to solicit confidential input on the ten potential modifications discussed in this report. Second, where necessary, further investigation of the potential impacts of high-interest SS procurement process modifications. Third and finally, adopting any legislative changes necessary to implement the Energy and Technology Committee's priority modifications to the SS procurement process. The Authority stands ready to continue supporting the Energy and Technology Committee's interest in this topic as may be helpful.

Additional Standard Service Procurement Resources

- Final Report to Legislature

Progress Enabling Decarbonization

Residential DER Interconnection Cost Allocation

A key enabling component of the electric distribution system to ensure deployment of solar PV systems, battery electric storage systems, and other kinds of distributed energy resources (DERs) are ability to support two-way flows of energy. DERs are an important tool to meeting the state's climate goals, and can be an even more important tool in providing customers with resiliency solutions and providing demand flexibility, which provides benefits to both the customer and the grid at large. To unlock the benefits of DERs, however, they must be interconnected to the grid. While this sounds simple, without carefully designed standards in place, a new interconnecting resource could compromise the reliability or safety of the distribution system; conversely, inefficient interconnection standards and protocols can inhibit the timely deployment of DERs.

The EDCs have had common DER interconnection guidelines in place since 2004 to ensure and maintain grid reliability after interconnection.[3] To assess whether a new DER would compromise the grid, the EDCs use a set of four technical screens. These screens prevent the addition of a new DER when its generation capacity would exceed the hosting capacity[4] limits of the infrastructure at that point on the distribution grid. In a situation where the DER does exceed the current hosting capacity, the EDCs offer the DER applicants two options:

1. Reduce the proposed generation capacity to pass the technical screens;[5] or
2. Pay for distribution system upgrades.

Based on the longstanding policy that allocates all interconnection costs to a new customer interconnecting to the distribution system for standard electric service, the interconnection guidelines required that DER applicant that exceeds the hosting capacity limits to pay for all system upgrade costs required to interconnect to the distribution system. In other words, the customer that in the moment causes the need for upgrades, pays for them, even if projects that come afterwards benefit (i.e., freeride).

However, under this cost-causation principle, residential DER applicants can face the potential for thousands of dollars in distribution upgrade costs. As a result, these customers will often either downsize their proposed system or withdraw their application altogether. Currently, the number of customers that find themselves in this situation is relatively low; 1.24% of all residential DER applicants, as of 2021. However, this number has nearly tripled since 2019, concurrent with increasing year over year applications tied to the success of the Residential Renewable Energy Solutions (RRES) Program.[6] It is clear that the percentage of residential DER projects triggering distribution upgrades is likely to continue to increase into the future. Manifest in that conclusion is the potential for distribution upgrades to become an increased barrier to DER deployment, as cost savings for DER customers and profit for DER developers are a large driver of overall DER deployment.

Recognizing this growing issue, the Authority committed to investigating methods to improve the interconnection standards and upgrade cost allocation frameworks used by the EDCs to remove barriers to DER deployment. Taking into consideration stakeholder input and guidance from the PURA-established Distributed Generation Policy and Technical Working Groups (IX Working Group),[7] the Authority issued revised cost allocation policies regarding system upgrade costs triggered by the interconnection of residential DER projects through its December 20, 2023 Decision in Docket No. 22-06-29, PURA Investigation into Distributed Energy Resource Interconnection Cost Allocation.

The most significant change in this decision is that residential DER applicants that fail the technical screens and would be required to pay for a new or substantially upgraded distribution transformer to enable their project are no longer responsible for paying the cost of the transformer upgrade upfront. Instead, two approaches will be used to cover the cost of distribution transformer upgrades depending on whether the applicant meets the Environmental Justice (EJ) eligibility requirements:

1. For applicants meeting the EJ eligibility requirements (EJ applicants), the cost of upgrading the distribution transformer will be recovered by the EDCs across all ratepayers through their next rate case proceeding.
2. For applicants not meeting the EJ requirement (non-EJ applicants), the EDCs will offset a portion, and ideally all, of the costs of non-EJ distribution transformer upgrades through an adder charged to all non-EJ applicants as part of the interconnection application fee. Any remaining transformer upgrade costs will be recovered by the EDCs across all ratepayers through their next rate case proceeding.

Consistent with the other energy programs under PURA's jurisdiction, EJ eligibility means the applicant's income is no more than 60% of the state median income, or the applicant is deploying the project in a distressed municipality as defined by the Connecticut Department of Economic and Community Development. The Authority directed the EDCs to use the existing income verification process already in place for the RRES program, and to the extent possible, use automatic verification of projects in a distressed municipality.

The Authority chose to exempt EJ applicants from paying an interconnection application fee adder for multiple reasons, the primary being that requiring an additional fee for EJ applicants is counter to the policy objective of supporting residential DER for EJ communities whose deployment levels already lag the stated policy goals. Further, it would be inequitable to require EJ applicants to pay for the projects of non-EJ applicants. Additionally, providing an applicant's EJ status upon application does not introduce a significant barrier nor any delays to processing applications, and the impact to non-participating ratepayers for the remaining costs of transformer replacements will be minimal, especially in the near term.

For non-EJ applicants, the Authority recognized the need to implement an adder that fairly distributes the costs relative to the benefits of the upgrade. Therefore, the Decision establishes a cap on the adder to avoid burdening DER applicants with unreasonable fees, consistent with stakeholders' feedback. While determining a precise cap is currently infeasible as there is no concrete data indicating the price point at which an application fee adder would begin to negatively impact DER deployment, based on limited historical data, the Authority found that an adder fee between $3-$150 could cover all or most anticipated transformer costs. Based on cost analysis in the Decision, the Authority found that an application fee cap of $50 is sufficient.

Importantly, this new policy applies only to the costs resulting from a new or upgraded transformer. If a residential DER interconnection requires a new transformer and additional distribution system upgrades, the customer will be responsible for the costs of the total upgrade minus the cost of replacing the transformer. This distinction is necessary because costs of non-transformer upgrades vary significantly and can be much larger than transformer costs. The Authority does not currently intend to provide incentives to deploy residential DERs in locations that require significant and costly upgrades. The Authority notes that where this situation occurs, there may be non-wires solutions that could be considered through the Non-wires Solutions Process anticipated to launch in 2025.

Additional Residential DER Interconnection Resources

- Final Decision

Non-Residential DER Interconnection Cost Allocation Straw Proposal

The issue of interconnection cost allocation is not limited to residential DERs and in fact results in even more significant costs and time delays for non-residential DER projects. Under the current application of the cost-causation principle, the EDC assigns the full cost of the upgrade to the interconnecting customer as that DER project triggered the needed upgrade. The cost-causation principle results in one non-residential DER project incurring significant costs for upgrades that other DERs contributed to the need for and other DERs that will benefit from it. For example, a non-residential DER connecting to the distribution system may require the installation of additional infrastructure to accommodate a generators' power flow and maintain the safety and reliability of the grid. These upgrades range in cost, though the average upgrade cost for projects greater than 2 megawatts (MW) reached $4,733,520 in 2018.

If a developer agrees to pay for the upgrade under the cost-causation principle, the result is an inequitable distribution of infrastructure costs among grid stakeholders. For example, if a single DER developer finances a distribution system upgrade, additional hosting capacity is generally created on the circuit. Therefore, any future projects may be able to interconnect due to the additional hosting capacity created without having to share the cost of the upgrade. This creates an incentive for DER developers to game the

the interconnection queue to avoid being the DER that will incur the cost. Moreover, DERs that interconnect on a circuit with limited hosting capacity that do not trigger a distribution system upgrade do, however, significantly contribute to the need for a future upgrade; yet these projects do not financially contribute towards future upgrade costs.

To address this issue, the Authority issued a Straw Proposal on December 22, 2023, in Docket No. 22-06-29RE01, PURA Investigation into Distributed Energy Resource Interconnection Cost Allocation – Non-Residential Interconnection Upgrades. In this proposal, PURA recommends shifting from a cost-causation principle to a "beneficiary pays" principle. Under this principle, distribution system upgrade costs are assigned to interconnecting customers in proportion to that customer's benefits from and contribution to the need for the upgrade. Specifically, interconnecting customers are charged on a per-kW basis. This approach is more transparent and equitable because it recognizes that some interconnecting customers both contribute more to and benefit more from distribution system upgrades than others and assigns costs proportional to that attribution.

In order to implement the "beneficiary pays" principle, there must be a method of evaluating how multiple projects interconnecting at a certain point will impact the grid and how they will benefit from resulting upgrades. Thus, the Authority proposed the use of a Group Study Process. Group Studies will allow the EDCs to process applications simultaneously rather than sequentially, leading to a more efficient use of the EDC's resources, lower interconnection costs, and faster interconnection timelines. The Authority proposes allowing the EDCs to form Group Studies any time they receive more than one interconnection application on a portion of the distribution system where the operation of multiple DERs may have cumulative impacts and may require modifications to the distribution system. Through this process the EDCs can identify the beneficiaries and contributors to any upgrade cost drivers. Once the EDCs have that information, they can allocate costs proportionately to the interconnecting projects responsible for the costs.

The Straw Proposal also outlines several related issues that will need to be resolved. For example, while the Group Study Process is a needed incremental improvement, it is still a reactive planning approach. The Group Study Process only occurs when the need for a distribution system upgrade already exists and DER deployment is already delayed compared with the upgrade being developed and deployed either when it is identified in the application review process or through proactive planning. Stated more simply, any amount of time taken through the Group Study Process extends a pre-existing delay. A proactive approach to allocating costs could provide price signals correlated with ideal points of interconnection, and address system upgrades as soon as possible. Further, the Authority flagged the need to integrate the Non-wires Solutions Process (NWS Process) and Integrated Distribution System Planning (IDSP) as the means to most strategically and holistically coordinate the deployment of DERS and necessary grid upgrades.

The Authority requested written comments on the Straw Proposal from stakeholders by February 14, 2024. These comments will be used to help determine future stakeholder input opportunities and to make refinements to the proposed approach.

IX Working Group

As a result of the November 25, 2020, Decision in Docket No. 17-12-03RE06, PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Interconnection Standards and Practices, the Authority established the IX Working Group to consider changes to the current interconnection policies of the EDCs, among other issues. The IX WG has been consistently meeting since March 2021, with the mission of: "accelerat[ing] safe, reliable and economical interconnections of distributed energy resources in Connecticut, through a transparent and informal public forum where technical and policy stakeholders openly share their experience, knowledge and challenges, on common ground, where solutions and recommendations to policy makers strive for consensus, so that renewable energy in Connecticut can flourish, while leading the nation through an example of mutual respect and collaboration."

On October 20, 2023, the Authority retained a formal IX Working Group Facilitator to provide both administrative support and assist with the facilitation of discussion and development of strategies to improve transparency of the interconnection process, including but not limited to:

- Public distribution system interconnection queues;
- Identify best uses of hosting capacity maps;
- Establish and make public reporting requirements; and
- Review of the Non-Residential Renewable Energy Solutions (NRES) and the Shared Clean Energy Facility (SCEF) program solicitation documents for consistency with the interconnection process and to identify possible areas of improvement.

The IX Working Group will continue to meet on a monthly basis and provide important stakeholder information and input to the Authority to continue improving interconnection policies in Connecticut.

Additional Non- Residential DER Interconnection Resources

- Straw Proposal
- IX Working Group Webpage

Progress Supporting Resilience & Reliability

Electric Reliability Reporting

By law, the EDCs are required to submit annual reliability data to PURA for the previous 12 months in terms of various power outage metrics that excludes outages caused by major storms, scheduled outages, or outages caused by customer equipment.[8] Specifically, the EDCs are required to report System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI). In turn, the Authority is required to

report this data to the Energy & Technology Committee of the General Assembly.

In 2022, PURA issued a decision in Docket No. 17-12-03RE08, PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Resilience and Reliability Standards and Programs (RE08 Decision), which expanded the reliability data the EDCs are required to track and report in order to provide more granular, customer-focused reliability performance data including customer average interruption duration index (CAIDI), customers experiencing multiple interruptions (CEMI), and customers experiencing long interruption durations (CELID).

On December 13, 2023, PURA issued its 2023 Report to the General Assembly on Electric Distribution Company System Reliability through Docket No. 23-08-09, Annual Electric Distribution Company Reliability and Resilience Framework Review, which incorporated the new data reporting requirements from the RE08 Decision for the first time. In general, the Authority found that both EDCs reported 2022 SAIDI and SAIFI values were below the 1995-1998 and 2018-2021 four-year averages.[9] The Authority did, however, find that UI did not provide the data using the methodology as required in previous reports and failed to provide other required data related to storms in 2022. As a result, PURA has directed UI to remedy these issues by February 22, 2024.

Additionally, both EDC's CAIDI values for 2022 were found to be just above both the four-year averages. Importantly, this is not necessarily indicative of a decrease in reliability performance. Since CAIDI is the ratio of SAIDI and SAIFI, a low SAIDI and low SAIFI values (few outages and short durations) may give the same CAIDI ratio as high SAIDI and high SAIFI values (many outages and longer durations). Therefore, CAIDI must be interpreted relative to the underlying SAIDI and SAIFI values. The increase in 2022 CAIDI relative to the 1995-1998 average here indicates that SAIFI has improved at a faster rate than SAIDI (since both 2022 SAIDI and SAIFI values are improved from the 1995-1998 averages).

The below graphs, Figures 11 and 12, show the statewide SAIDI and SAIFI values from 1998-2022, respectively.

Figure 11: Statewide SAIDI Values Since 1998

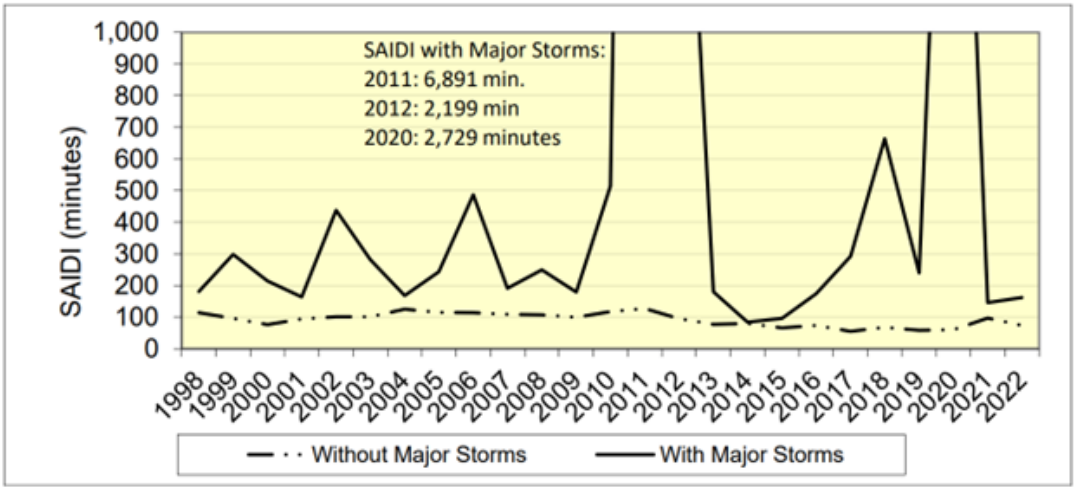
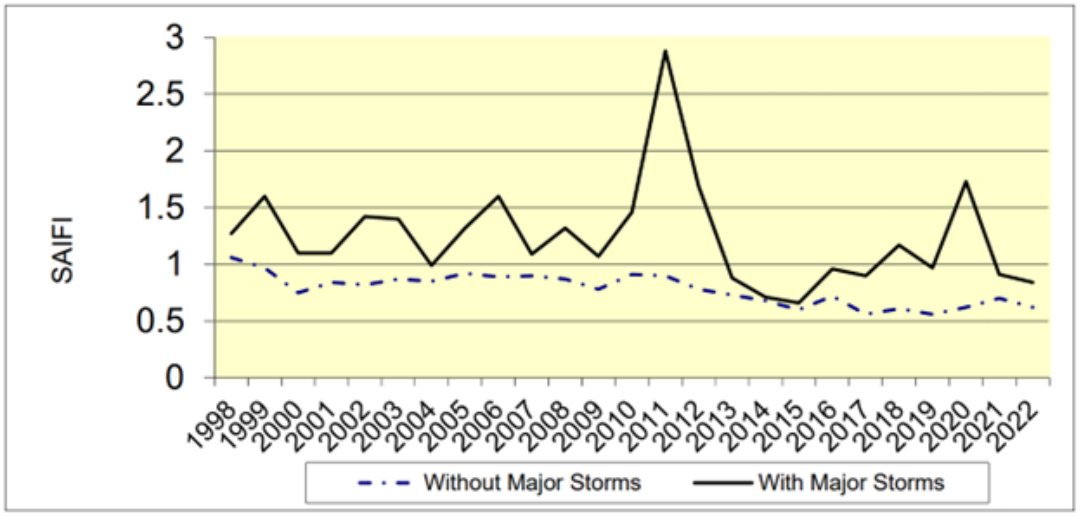


Figure 12: Statewide SAIFI Values Since 1998



Non-Wires Solutions Process

Additional Electric Reliability Reporting Resources

- 2023 Legislative Report

In 2022, PURA issued a Decision in Docket No. 17-12-03RE07, PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Non-Wires Alternatives (NWS Decision), establishing a process to transparently leverage competition to identify and deploy non-wires solutions (NWS) to meet distribution system needs with the ultimate objectives of improving grid resilience and reliability, as well as improved outcomes for customers (NWS Process). As technology has changed over time, new options are available to lower system costs and improve outcomes, and specifically to avoid, defer, or reduce the cost of necessary grid investments. In addition, EDCs are now permitted by statute to own energy storage systems under a wider range of conditions than previously possible. The NWS Process enables the Authority and stakeholders to receive the necessary and appropriate information to evaluate the prudence of EDC investments, including EDC-owned energy storage.

Further, in the NWS Decision, PURA determined that the NWS Process and its policy objectives would greatly benefit from the expertise and oversight of an official PURA Process Monitor. Given the role of the EDCs in this process, oversight and transparency is key to the provision of results in the public interest. The PURA Process Monitor would act as an extension of lead staff in the annual NWS Process proceedings to supplement existing staff expertise in its oversight of the NWS Process and will provide expertise in areas in which Authority staff expertise does not currently exist. Further, given the importance of the robust stakeholder process called for by many docket participants, the PURA Process Monitor would assist in the creation of key NWS Process materials and analytical tools to provide information to stakeholders and facilitate their input.

Thus, PURA conducted a public solicitation for proposals from consultants to serve as the NWS Process Monitor in 2023. On May 4, 2023, PURA officially retained Optimal Energy (formerly identified as NV5) to serve as the NWS Process Monitor. Generally, the Process Monitor's responsibilities will include stakeholder engagement, development of NWS process materials, data review and analysis, oversight of each electric distribution company's (EDC) solicitations, and providing feedback to the Authority.

The NWS Process Monitor began the NWS Process Initiation phase identified in the NWS Decision in the second half of 2023. As part of the phase, the NWS Process Monitor has organized monthly stakeholder meetings to develop, discuss, and revise several key deliverables necessary for the NWS Process to begin in 2025. These key deliverables include, but are not limited to, the following items being developed by the Process Monitor:

- Any additional requirements and format for the annual Grid Needs Filing;
- NWS solicitation benefit-cost analysis model and process;
- Timelines for competitive NWS solicitation processes;
- Applicability of the existing regulations regarding codes of conduct for EDCs and their affiliates and any additional policies and protections needed to allow EDC affiliates to submit a competitive NWS bid;
- Plans for ongoing market engagement activities and RFI documents; and
- A standard set of data to be provided to prospective NWS solicitation bidders, which shall include, at a minimum, the information listed in Exhibit C and any relevant information from the EDC Data and Grid Needs Filings.

The NWS Process Initiation Phase also includes review, discussion, and potential modification to deliverables being developed by the EDCs, including but not limited to:

- A standard cybersecurity data access policy and pre-approval process, including non-disclosure agreements (NDAs) and data security agreements (riders) that specify vendor security requirements;
- The standard RFP to be issued by the EDCs for a NWS solicitation, inclusive of any processes to screen and qualify bidders, which shall include relevant information from the cybersecurity data access policy; and
- The pro forma contract for NWS bidders to execute with the EDC upon selection, including performance criteria and EM&V plan.

In 2024, the Process Monitor will continue to convene monthly stakeholder meetings to develop, review, and revise the above deliverables. Ultimately, the above deliverables are required to be submitted to the Authority by June 1, 2024 in Docket No. 24-08-08, Non-Wires

Additional NWS Process Resources

- Process Monitor Work Plan
- 24-08-08 Notice of Proceeding

Solutions Process Initiation Phase. After submission, the Authority will formally review and request written comments on these deliverables, ultimately issuing a Final Decision regarding NWS Process implementation in that proceeding in the second half of 2024, in order to enable the NWS Process to formally begin in January 2025.

Front-of-the-Meter Storage Pilots

Public Act 22-55, An Act Concerning Energy Storage Systems and Electric Distribution System Reliability, states that the Authority shall direct the EDCs to submit up to three proposals for energy storage system (ESS) projects with the "purpose of demonstrating and investigating how energy storage systems can improve resiliency of critical infrastructure and improve reliability of the electric distribution system."

On September 14, 2022, the Authority issued an Interim Decision in Docket No. 22-06-05, PURA Implementation of Public Act 22-55, (Interim Decision) establishing the requirements for the ESS proposals and directed the EDCs to file such proposals. Because the term "critical infrastructure" was not defined in Public Act 22-55 or elsewhere in statute, the Authority ruled that it would consider any facilities included in the EDC's emergency response plan, facilities identified by municipalities in conjunction with the EDC, or facilities that otherwise meet the Connecticut Division of Emergency Management and Homeland Security (DEMHS) definition. To enable the evaluation of the resilience benefits of the proposed ESS projects, the Authority required the EDCs to submit a "Resilience Needs Assessment" of the critical infrastructure and a description of the ESS' resilience operational strategy.

In addition to improving the resilience for critical infrastructure, the ESS projects are required to improve distribution system reliability. To identify the reliability improvements of a proposed ESS project, the Authority required specific details regarding the reliability needs of the infrastructure being served, the functionality of the ESS to address those needs, and how the EDC will dispatch the system to optimize that functionality under various scenarios.

The final element for assessing a proposed ESS project is determining whether the project "provides value to ratepayers." The Authority established certain requisite technical criteria for a proposed ESS project to be commercially functional. In addition, the Authority established a Benefit-Cost Analysis model to ensure that ratepayers receive value from the proposals that exceed the costs.

The EDC's submitted proposals in December 2022, which ultimately required supplemental analysis on wholesale energy market participation and possible ESS operation strategies for PURA to complete its assessment. The EDCs submitted this supplemental data on June 1, 2023. Following stakeholder and Authority review of the proposals, PURA issued a Final Decision on the EDCs' proposed ESS projects on December 20, 2023.

United Illuminating's Projects

United Illuminating submitted proposals for projects in Bridgeport, North Haven, and New Haven. The Authority found that the Company's proposals meet the requirements set forth in the Interim Decision and are expected to increase the resilience of critical infrastructure, improve the reliability of the distribution system, and provide value to ratepayers, if constructed and operated as proposed. Project details are summarized in Table 9 below.

Table 9: United Illuminating ESS Project Proposals

Project Location	Project Size	Critical Infrastructure Served	Features	PURA Ruling
Bridgeport, CT	2.3 MW/ 5.5MWh	Three, 9-story elderly housing facilities	Microgrid expansion to provide outage support to an additional 598 customers for at least 4 hours	Approved
North Haven, CT	1.5MW/ 4MWh	Senior living care facility with outpatient and rehabilitative services	Microgrid expansion to provide outage support to an additional 166 customers for at least 4 hours	Approved
New Haven, CT	2.5MW/ 7MWh	Magnet high school that also serves as the community emergency shelter	Microgrid expansion to provide outage support to an additional 166 customers for at least 4 hours	Approved

Additionally, the Authority applauded UI's extensive engagement with its local communities in developing their ESS proposals. UI included significant input from community leaders in its proposals, helping lead to high-value proposals for those communities. Additionally, the Authority was pleased to find that UI identified key learning opportunities and demonstration objectives, and exhibited a willingness to investigate how ESS can improve the reliability and resilience of critical infrastructure and maximize the ESS' value through secondary applications. In general, the Authority appreciates and encourages future application of UI's approach to tailoring its proposed solutions to the needs of the communities they serve, as well its adherence to the statutory intent of Section 2 of Public Act 22-55 and the Authority's specific direction and recent guidance on other matters.

Eversource's Projects

Eversource submitted projects located in Voluntown, Sherman, and Winchester.

Unfortunately, the Authority's review of these proposals resulted in denying all three without prejudice. Eversource did not demonstrate sufficiently that these projects would provide value to ratepayers. Specifically, Eversource has not adequately justified that the ESS nameplate capacity is warranted and that the projects will be undertaken at a reasonable cost. Finally, the Authority found that Eversource's operational strategy will not maximize benefits to ratepayers. Therefore, in order to receive Authority approval, the Authority directed Eversource to resubmit proposals to address the Authority's findings by May 31, 2024.

Federal Funding Requirements

The EDCs are permitted to recover prudently incurred costs for approved ESS pilot projects proposed pursuant to Public Act 22-55 through a fully reconciling component of electric rates for all customers until the company's next general rate case, when costs would be incorporated into base distribution rates. The EDCs can, and should, also seek federal funding for which they are eligible in order to offset ratepayer costs.

In November 14, 2023, the U.S. Department of Energy (DOE) announced up to $3.9 billion of available grants in the second round of the Grid Resilience and Innovation Partnerships (GRIP) Program. The ESS proposals may be eligible for federal funding under the GRIP Program Grid Resilience Utility and Industry Grants. This funding supports grid modernization efforts by investing in the deployment of advanced technologies including DERs and storage systems that can mitigate multiple hazards across a region or within a community.

Thus, PURA directed the EDCs to apply for the second round of funding available through the DOE's Grid Resilience Grants program. Concept papers for this funding opportunity were due at 5:00 p.m. ET on January 12, 2024. The Authority directed the EDCs to report on progress made seeking the above federal funding opportunities (e.g., the filing of a concept paper) and any results provided by the U.S. DOE as compliance in the proceeding within three business days of any submissions or receipt of any correspondence from U.S. DOE. UI has confirmed, via a compliance filing on January 17, 2024, that it successfully submitted a proposal to DOE for funding of the New Haven ESS project. The Authority will continue to monitor the deployment of all three UI projects, and any associated federal funding awards.

Advanced Metering Infrastructure

In 2019, the EMG Interim Decision identified advanced metering infrastructure (AMI) as essential to achieving the objectives of a modern electric grid for Connecticut. AMI is a tool available to the EDCs to better understand, plan, and operate their system, but that same information is also important to customers and market-based opportunities to help customers better manage their consumption and save money. Specifically, AMI enables a number of functions that conventional utility meters cannot provide including automatic measurement of granular energy usage data, remotely identifying and isolating outages,

and monitoring voltage. These functions unlock a whole host of new customer offerings such as time-of-use energy rates or advanced rates for EVs, greater control over energy consumption using smart technology, and load-shifting. For utilities, AMI allows reduced costs related to metering and billing, better visibility of the grid and power quality, faster outage restoration, and improved operations efficiency.[10] AMI will accelerate the modernization of Connecticut's electric grid in numerous innovative, cost-effective, and equitable ways.

Today, about 90% of customers in UI's territory have AMI. The AMI deployment in UI's territory has allowed the company to realize many operational benefits such as remote meter reading, service order automation, proactive outage planning, storm restoration efficiencies, the validation of resilience/reliability measures, early outage detection, system planning optimization, energy theft reduction, provision of detailed billing data, rate design, enhanced online portals, high-bill alerts, outage status, customer targeting for initiatives, and reduced billing-related calls to the call center. UI expects that the benefits will continue to accrue for the listed categories and expects the benefits to increase as the remaining Automatic Meter Reading (AMR) meters are replaced and as the features of AMI meters and systems are available that can provide load disaggregation, load balancing, voltage monitoring, and voltage reduction.

In Eversource's territory, however, more than 75% of Eversource's customers still have standard meters (AMR meters) that are 20 or more years old. The other 25% have "bridge meters" that work with the AMR meters but can be enabled to work with an AMI system. To support AMI, Eversource would not only need to install meters, but it would also need to install and integrate the following with meters and existing systems: communications systems; back-office systems; meter data management; and customer information systems. Unlike UI, where significant investment has already taken place, Eversource needs to conduct significant levels of investment to implement AMI.

As such, achieving statewide deployment of AMI and the realization of its associated benefits will require significant capital investment from ratepayers. After three years of tremendous public process in Docket No. 17-12-03RE02, PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Advanced Metering Infrastructure, including numerous opportunities for stakeholder input, guidance from industry experts such as federal agencies, peer jurisdiction utilities, and technology providers, PURA released a framework for the deployment of AMI through a final Decision on January 3, 2024. This framework provides a regulatory roadmap for the EDCs, protects ratepayers, and ensures that the investment in AMI will advance the economic, energy, and environmental policy goals of Connecticut. Importantly, this Decision outlined a process to assess the prudence of any costs associated with the deployment of AMI in accordance with the outlined framework during the EDCs' future, respective contested rate proceedings.

The AMI framework implements the regulatory goals and priority outcomes outlined by the PBR Decision discussed in Section 2. With respect to AMI, the main regulatory goals are (1) Excellent Operational Performance and (2) Customer Empowerment and Satisfaction. The AMI-specific priority outcomes for Excellent Operational Performance and Customer Empowerment and Satisfaction are distribution system utilization and customer empowerment, respectively. The Decision then identifies numerous metrics to measure an EDC's progress in deploying AMI and demonstrating that the infrastructure is providing service to customers. Additionally, the EDCs are therefore expected to work towards achieving these regulatory goals and priority outcomes, while taking into account certain foundational considerations when advancing toward the outcomes, including, safety, equity, economic opportunity, risk distribution, and transparency.. With respect to AMI, the main regulatory goals are (1) Excellent Operational Performance and (2) Customer Empowerment and Satisfaction. The AMI-specific priority outcomes for Excellent Operational Performance and Customer Empowerment and Satisfaction are distribution system utilization and customer empowerment, respectively. The Decision then identifies numerous metrics to measure an EDC's progress in deploying AMI and demonstrating that the infrastructure is providing service to customers. Additionally, the EDCs are therefore expected to work towards achieving these regulatory goals and priority outcomes, while taking into account certain foundational considerations when advancing toward the outcomes, including, safety, equity, economic opportunity, risk distribution, and transparency.

Key components of the framework are a comprehensive list of benefits that AMI can provide to make business operations more efficient, improve system utilization, and increase customer engagement with energy usage, all of which help advance the goals of the Equitable Modern Grid Framework. The framework also identifies investments and costs necessary to enable the benefits so that the evaluation of the costs and benefits can be evaluated transparently. For each benefit and cost stream, the Authority has outlined a set of metrics that the Authority will require the EDCs to report on through the use of scorecards to monitor both the deployment and implementation of AMI. The goal of the scorecards is to provide transparency and accountability for the ongoing AMI investment. Scorecards will be filed semi-annually, starting six months following submission of an EDC's final AMI plan.

For next steps, the Decision provides guidance regarding the EDCs' submission of a Final AMI plan. Each Final AMI Plan must include required information tied to the identified AMI benefits and costs outlined in the Decision, implementation and deployment plans, a benefit-cost analysis using the Authority's approved design, demonstrated evidence of competitive procurements for AMI technology components that maximize AMI's potential and value to ratepayers, updated proposals for time-of-use rates, and a customer outreach and engagement plan. The Authority also required that the EDCs make every effort, both now and in the future, to identify federal funds or other financing options that can offset the costs associated with implementing AMI.

AMI Cost Recovery

During the proceeding, Eversource stated that the company requires a clear, reasonable, and certain cost recovery path to move forward with an AMI investment. In its current AMI Plan, Eversource proposes approximately $400 million of capital investment over the first five years of AMI deployment (approximately $80 million per year). Eversource claims that due to both the level of costs and the short timeline with which they are to be incurred, it is necessary that cost recovery be granted at defined intervals during the deployment window outside of a general rate case, such as through the annual RAM proceedings.

The Authority recognizes that the anticipated capital costs outlined above, while not entirely incremental, may be significant and incremental relative to the business-as-usual core business investments. The costs are also largely concentrated in a five-year deployment period. Taken together, these factors may potentially necessitate consideration of an extraordinary ratemaking measure, such as the implementation of an annual cost reconciliation mechanism. Given this, the Authority initiated a docket simultaneously to releasing the AMI framework decision, titled as Docket No. 17-10-46RE04, Application of the Connecticut Light and Power company d/b/a Eversource Energy to Amend its Rate Schedules – AMI Cost Recovery. This is a contested proceeding that will consider the development and adoption of an AMI cost recovery tracker. In the course of that proceeding, the Authority will consider an appropriate structure of a cost tracker that allows the company to cover their prudently incurred costs while providing appropriate protection to the public interest. The schedule for this proceeding ensures that a ruling will be issued by November 20, 2024, which provides sufficient time for Eversource to include in its 2025 RAM filing a request for cost recovery of any applicable 2024 costs, if so authorized.

Additional AMI Resources

- AMI Final Decision
- Cost Recovery NOP

Progress Growing the Green Economy

Innovative Energy Solutions (IES) Program

Innovation is a natural complement to modernization; one that can, if harnessed, greatly enhance the benefits and services delivered to ratepayers. With the increase of data availability, grid-edge visibility, and distributed energy resources comes significant opportunities to optimize the grid, its resiliency and reliability, and the customer experience. However, the risk and uncertainty of requiring utilities to conduct traditional research and development or even to pilot new technologies or applications can often be too great to consider the expenses prudent. So, conventional strategies often continue to be implemented, even though novel and emerging options show promise to lower costs and/or improve service.

The Authority issued a decision in Docket No. 17-12-03RE05 on March 30, 2022, officially approving the program design of the Innovative Energy Solutions Program (IES Program). The goal of this program is to enable the deployment of, on a limited basis, innovative pilot technologies, products or services, and to evaluate their performance. If satisfactory ratepayer benefits are demonstrated, the innovation(s) could be scaled up for statewide deployment by the EDCs.

There are two features of this program that distinguish it from other pilots or test beds. The first is that it employs guardrails and project "off-ramps" to ensure value and to minimize ratepayer risk. The IES Program is structured into four phases, where potential innovations are reviewed with increasing scrutiny to ensure that their product or service meets the needs of Connecticut's grid and ratepayers and can deliver their claimed benefits or value at scale. If a project cannot meet the criteria and thresholds at a certain phase, the Authority will be able to quickly retire the project, thereby avoiding unnecessary risk and costs to ratepayers.

The second feature addresses the inverse situation where a pilot project demonstrates substantial ratepayer and grid benefits. In this case, the IES program provides a clear pathway by which to move a successful pilot project to full-scale deployment across the state's two largest EDCs' territories, which the traditional approach to EDC pilots have lacked nation-wide to date. This ensures that successful pilots are brought to scale, thereby delivering the benefits of innovation to all ratepayers.

The IES Program also places a high value on transparency, which is achieved through the external Innovation Advisory Council (IAC) comprised of a representative set of stakeholders, who would have a responsibility for ensuring a balanced perspective in the IES program.[11] Though the Authority is the primary entity responsible for developing, administering, and managing the IES Program, and retains ultimate decision-making authority over aspects of program design and project selection, the IAC provides a forum where potential participating innovators can engage and discuss the program without violating the standard communications rules with PURA. Additionally, the IAC will set the themes and objectives for each annual Program Cycle and will screen projects through the first two phases.

IES Cycle 1

The first IES Program Cycle officially launched on January 31, 2023, in Docket No. 22-08-07, Innovative Energy Solutions Program Cycle 01. Each program Cycle focuses on a selected "theme" around which projects are solicited, but does not exclude proposals that fall outside that theme. The theme is discussed and voted on by the IAC with consideration from the EDC's joint grid and customer needs reports, as well as other ongoing state policy and priority goals. The Cycle 1 theme focused on Demand-side Flexibility, which includes, but is not limited to, advanced forecasting, automation, flexible winter peak technology, and thermal storage.

Interested innovators were able to submit proposals through one of three distinct pathways: (1) developer-led projects; (2) EDC-led projects; and (3) collaborative projects. These pathways are intended to create opportunities for and encourage diverse participation from the full ecosystem of potential solutions providers and innovators.

Cycle 1 Phase 1

In Phase 1 of the IES Program Cycle 1, interested applicants were required to submit a concept proposal via the Program website, www.CT-IES.com, providing a high-level description of the proposed solution and project, by March 1, 2023. The IES Program received 52 Phase 1 applications.

The Program Administrator (Strategen Consulting), in coordination with IAC, reviewed the proposals and determined which were eligible to submit a detailed proposal in Phase 2. An IAC meeting was held to determine the final list of Phase 2-eligible projects. To be determined eligible, applicants were required to demonstrate that their project:

- Addresses current gaps in EDC offerings in Connecticut;
- Advances decarbonization;
- Addresses underserved communities in Connecticut;
- Avoids a competitive advantage for EDCs;
- Avoids an unreasonable impact to Connecticut ratepayers; and
- Will be authorized to practice business in Connecticut.

The IAC ultimately found 33 of the 52 applications to be eligible to apply to Phase 2, and were simultaneously invited to present at Pitch Fest on April 18, 2023, a live pitch event co-hosted by PURA and Connecticut Innovations. At Pitch Fest, attendees including non-decisional PURA Staff, EDC Staff, and IAC members, heard elevator pitches from applicants, had the opportunity to speak directly with applicants to learn more about their projects, and then voted for the projects they were most interested in hearing longer pitches from. Regardless of whether an applicant was selected to present a longer pitch at Pitch Fest, all Phase 2 eligible applicants were invited to submit Phase 2 applications. Phase 2 applications were provided to applicants on May 1, 2023.

Cycle 1 Phase 2

Projects invited to submit proposals in Phase 2 were required to provide detailed information regarding the project's value proposition, business and financial model, strategic alignment with the IES Program objectives, equity provisions, scalability, and project team qualifications.

The Program Administrator and the IAC then evaluated these proposals and their ability to address key criteria such as Innovation Potential, Measurable Benefits, and Focus on Underserved Communities and Equity. Descriptions of these criteria are included in Table 10 below:

Table 10: IES Phase 2 Evaluation Criteria

Category	Description
Innovation Potential	Examines whether the Proposed Project involves "testing a new product, program, tariff, service, or business model that is not widely used in Connecticut and is conducive to scaling, replication, or serving as a potential model for others to adopt or deploy."
Project Implementation Tracking Plan (PITP)	Examines whether the Proposed Project's implementation tracking plan is reasonably achievable and outlines performance metrics, data collection specifics, a timeline with stages, and milestones that are tied to cost recovery, and the frequency and detail required for progress reporting.
Project Benefits	Examines whether the Proposed Project provides measurable and sustainable benefits to society or the community, to customers, and to the EDC and electric grid.
Focus on Underserved Communities	Examines whether the Proposed Project provides measurable benefits for Connecticut's underserved communities, as that term is defined by the Connecticut Department of Economic and Community Development's (DECD) Environmental Communities and Distressed Municipalities.
Advances Decarbonization	Examines whether the Proposed Project provides measurable and sustainable benefits to support Connecticut's goals to decarbonize its electric grid by delivering zero-carbon electricity to customers by 2040 and reducing greenhouse gas emissions.
Women and Minority-Owned Business	Examines whether the Proposed Project has a Connecticut or Federal certification as a women-owned business, minority-owned business, or both. This is not a requirement, but considered a benefit.
Priority Theme	Examines whether the Proposed Project fits within the Cycle 1 theme of Demand-side Flexibility. According to the Program Administrator, the Proposed Project's alignment with the Cycle 1 theme is not a requirement, but rather a benefit.

During the Phase 2 process, all IAC members were provided an opportunity to discuss applications amongst council members and highlight follow-up questions to ask applicants. To that end, and to host a general open-forum discussion on Phase 2 applications, the IAC met on June 27, 2023, and again on July 11, 2023. The Program Administrator, on behalf of PURA Staff and IAC members, issued follow-up requests to applicants.

On July 31, 2023, the Program Administrator filed a portfolio of 8 recommended projects

totaling $14 million on behalf of the IAC to the Authority for final review and approval. The Authority issued rounds of interrogatories and hosted a technical meeting where representatives of the IAC-recommended projects gave presentations and answered further questions from Authority staff.

On December 13, 2023, the Authority issued an Interim Decision in Docket 22-08-07 approving seven of the eight recommended projects for pilot deployment in Phase 3 of Cycle 1 along with the supporting justification for each project. Below are descriptions of each of the seven innovative pilot projects.

AmpUp

AmpUp proposed a project for managed EV charging by integrating its existing charging management software with utility demand response programs. This project will allow grid operators to decrease load at EV charging stations during periods of grid stress through automated participation and incentives that compensate charging station owners for decreasing charging during peak periods. The platform will also offer real-time reporting on station status and energy management controls, such as time-of-use rate setting. Additionally, AmpUp's project can further demonstrate economic benefit by managing EV charging to shift loads, which can help defer or avoid distribution infrastructure investments, resulting in savings for ratepayers.

Edo

Edo proposed an 18-month project that demonstrates how commercial buildings can provide both temporary, flexible demand management and longer-term, geographically specific load reduction. Edo aims to target 25 commercial buildings served by a single substation in a distressed municipality in Eversource's service territory. The project offers energy and non-energy benefits including energy savings, load shifting, improved health, job creation, and reduced greenhouse gas emissions.

GridEdge Networks

GridEdge Networks proposed integrating an Area Cooperative Educational Services (ACES) electric school bus in New Haven, CT, with the electric grid using Vehicle to Grid (V2G) technology and bidirectional V2G direct current fast charging (DCFC). V2G capability is an emerging technology with particularly high potential benefits given the characteristics and use patterns of electric school buses. GridEdge anticipates that the project would provide additional revenue streams to the EV fleet owner through participation in utility demand response programs, allow the EDCs to manage the bus's charging and discharging cycles, and benefit the local community by reducing air pollution and serving as a back-up power source in case of outages.

KrakenFlex

KrakenFlex proposed to use its Kraken technology platform to enroll residential customers with DERs in a new demand-side flexibility tariff program that optimizes those DERs for customer and EDC objectives. KrakenFlex's proposal is designed to automate customer and EDC participation and remove gaps in Connecticut's electric distribution system by giving UI the ability to utilize residential demand flexibility to control and optimize network connected residential DERs. This model can help further promote the sales and installation of clean technologies such as EV chargers and heat pumps by improving the cost-effectiveness of these investments. Participating customers are expected to see an estimated $100-$120 in annual bill reductions per asset.

Piclo

Piclo proposed creating a statewide flexibility market in Connecticut that can help mitigate grid constraints. The project aims to be the "eBay" of decarbonized grid flexibility by introducing a cloud-based, competitive marketplace to connect buyers of demand-side flexibility (i.e., the EDCs) with sellers of demand-side flexibility (Flexibility Service Providers or FSPs, e.g., DER owners and aggregators).Piclo's pilot will expand the portfolio of DER types and companies available to provide flexibility services and consolidate them onto a single platform, which will enable flexibility procurement transactions and provide supporting services. The pilot phase involves customizing the existing Piclo Flex product to Connecticut's grid, identifying use cases, recruiting FSPs, and determining dispatch and communication protocols with FSPs and the EDCs.Piclo has identified two FSPs prepared to enroll DERs on the platform and plans to pursue partnerships with additional FSPs.

Smarter Grid Solutions

Smarter Grid Solutions (SGS) proposed the use of Strata Grid Active Network Management Platform (Strata Grid) to integrate flexible load, energy storage solutions, and EV chargers to help UI dynamically manage grid constraints. As the use of the grid is approaching pre-set limits, Strata Grid will ensure that network limits are not violated. Strata Grid will help optimize system capacity, including increased capacity as well as expedited interconnection. Previous applications of the Strata Grid have seen 50-100% capacity improvement. Greater hosting capacity and faster interconnection could lead to increased deployment of DERs and the creation of additional in-state jobs.

Tantalus

Tantalus proposed an initiative to deploy smart computing devices, known as the TRUSense gateway, to access and control behind-the-meter DERs. The devices would provide power quality data to analyze the impact of DERs and identify vulnerable transformers. The demonstration would target about 200 homes located in an underserved community in UI service territory, of which about 100 homes would receive smart devices and behind-the-meter DERs, such as smart thermostats, smart circuit breakers, and thermal energy storage water heaters. Tantalus' project will test a strategic combination of new products to enhance benefits associated with existing demand response programs and dynamic rate performance.

Cycle 1 Phase 3

Following the Authority's December 13, 2023 Interim Decision, each project began the contracting phase with the EDCs to begin pilot deployment in Phase 3. Upon contract execution, the projects can begin deploying their technology. Using pre-determined milestones set during Phase 2, the projects will recover costs concurrent with each milestone's achievement. Each Phase 2 Applicant with a Proposed Project selected for deployment in Phase 3 is required to track and report on their metrics and milestones on a bi-monthly basis. At the conclusion of each project's pilot phase (approximately 12-18 months), the Program Administrator will prepare a final recommendation to PURA regarding whether the technology should be deployed at scale statewide. Projects that are not yet ready to scale but display promise and economic viability will have an opportunity to cycle back though the IES program with modifications in place, but this will be assessed on a case-by-case basis. Projects that do not display further potential to scale up upon assessment during Phase 4 will exit the IES program.

IES Cycle 2

The Cycle 2 proceeding will be conducted through Docket No. 23-08-07, Innovative Energy Solutions Program Cycle 2. On January 1, 2024, the IES Program began accepting proposals for Cycle 2 under the theme, "Empowering Electrification." Electrification refers to replacing direct fossil fuel use (e.g., propane, heating oil, gasoline) with electricity in a way that reduces overall emissions and energy costs. Transportation, electricity, and residential heating account for almost three quarters of Connecticut's greenhouse gas (GHG) emissions, which by 2030, must be reduced by 45% from 2001 levels.

The IES program is looking for innovative projects that can reduce barriers to clean technology adoption, electrify energy consumption, and/or develop ways to integrate and manage new and flexible loads to the electric grid.Projects that fit within the Cycle 2 Theme of "Empowering Electrification" can reduce emissions across all sectors by electrifying equipment as electricity generation simultaneously shifts towards cleaner

alternatives, creating a "win-win-win" for EDCs, customers, and the environment. Examples of eligible technologies under this theme could include but are not limited to:

Figure 13: IES Cycle 2 "Empowering Electrification" Potential Projects

Pathway 1

- Lowering barriers to fleet electrification adoption.
- Platform development to facilitate transactions for customers that want to electrify homes.
- Novel behind-the-meter electrification technology.

Pathway 2

- New rates for heat pump and/or electric vehicle customers.
- Recommended modifications to support fuel switching (including cures to loss of customer if they switch from natural gas to electric equipment).

Pathway 3

- Integration of a holistic solution that enables active management of EV chargers and other customer-sited DERs to increase dynamic hosting capacity through continuous monitoring of network load and active management of flexible resources.
- Integration of smart grid technology that can improve user understanding and control of their building energy usage, and provides them with pathways towards reducing their energy usage or pivoting towards electrification.
- Location-based incentives/rates for interconnection and/or energy use, depending on grid constraints.

Importantly, the IES Program will also accept proposals that address the priorities identified in the EMG Framework. Concept proposals were due by February 1, 2024. Interested parties should visit www.ct-ies.com or contact info@ct-ies.com with any questions.

Additional IES Program Resources

- IES Program Design
- Cycle 1 Interim Decision

Click to visit the IES Portal

INNOVATIVE ENERGY SOLUTIONS

2023 CLEAN & RENEWABLE ENERGY PROGRAM UPDATES

Since 2021, the Authority has prepared and released an annual report summarizing the most up-to-date and comprehensive data available regarding ratepayer-funded clean energy programs in Connecticut. This Annual Clean and Renewable Energy Report (CRE Annual Report) is designed to provide transparency and insight into the state's CRE programs and procurements for all stakeholders and state policymakers. The CRE Annual Report is also intended to be a resource for state policymakers and stakeholders when considering potential modifications to state energy policy goals. In sum, the Authority's primary objective in the CRE Annual Report is to provide open access to the data from the CRE programs that are funded by Connecticut ratepayers.

Specifically, this report provides data regarding the following CRE programs and market segments:

- Residential solar photovoltaic (PV) systems
- Non-Residential solar PV systems
- Shared Clean Energy Facilities (SCEF) Program
- Public Policy Contracts and Power Purchase Agreements (PPAs) selected through Department of Energy and Environmental Protection (DEEP) procurements
- Clean Energy Options Program (CEOP) / Voluntary Renewable Option (VRO) Program
- Renewable Portfolio Standards (RPS) Compliance
- Electric Vehicle (EV) Charging Program
- Energy Storage Solutions (ESS) Program

Beginning with the 2023 CRE Annual Report, PURA will release this report concurrently with the release of each PURA Annual Report both in its standard docket and as an appendix to the PURA Annual Report. The 2023 CRE Annual Report was released on February 14, 2024, in Docket No. 23-08-01, 2023 Clean and Renewable Energy Program Data and Report. The Authority remains committed to expanding and improving the type, quality, and presentation of the data included in the CRE Annual Report, and will seek to make incremental improvements each year, to the extent possible.

2023 Clean and Renewable Energy Report

- See Appendix 3
- Report in Docket

[1] Retail suppliers are licensed by the Authority to provide electricity generation services. See Conn. Gen. Stat. § 16-245(b).Retail suppliers' rates are posted on the EnergizeCT rate board at https://energizect.com. See Conn. Gen. Stat. § 16-244d(b); Decision, May 6, 2020, Docket No. 14-0720RE01, PURA Development and Implementation of Marketing Standards and Sales Practices by Electric Suppliers – Revised Standards, Ex. B, p. 5 ("[A]ll of a [retail supplier's] generally available rates must be posted to [energizect.com].").

[2] Conn. Gen. Stat. §§ 16-244c(a)(3) and 16244m(a).

[3] Decision, Apr. 21, 2004, Docket No. 03-01-15, DPUC Investigation into the Need for Interconnection Standards for Distributed Generation.

[4] Hosting capacity is the estimated maximum amount of energy from a distributed resource (such as solar panels) that can be accommodated on the distribution system at a given location. This capacity is under existing grid conditions and operations without requiring significant infrastructure upgrades. This capacity takes into consideration safety, power quality, reliability, or other operational criteria.

[5] Additional, specific options exist, including smart inverter setting, that can generally be categorized other reducing the project's capacity.

[6] See Appendix 3 for more information on the RRES program and its deployment data.

[7] The make-up of the working group includes the EDCs, various distributed energy resource developers, OCC, BETP, the Connecticut Industrial Energy Consumers (CIEC), and PURA EOE staff.

[8] Excluding these categories of outages helps evaluate the long-term, blue-sky reliability of the distribution system. Major storms in particular can create large variations in reliability data making year-to-year comparisons difficult and potentially misleading.

[9] The Authority includes the four-year average ending 1998 in conjunction with Conn. Gen. Stat. § 16-244i.

[10] U.S. Department of Energy, Advanced Metering Infrastructure and Customer Systems, September 2016, available at:
https://www.energy.gov/sites/prod/files/2016/12/f34/AMI%20Summary%20Report_09-26-16.pdf

[11] In 2023, the IAC membership composition included PURA, the Connecticut Green Bank, DEEP, OCC, United Illuminating, Eversource, Connecticut Innovations, CTNext and the Yale Carbon Containment Lab.

2023 GRID MODERNIZATION DECISIONS

Docket Number	Title	Decision Date
22-08-02	Annual Residential Renewable Energy Solutions Program Review – Year 2	2/8/2023
23-02-02	2023 PURA Report to the General Assembly Regarding the Electric Efficiency Partners Program	2/8/2023
22-08-01	2022 Clean and Renewable Energy Program Data and Report	2/22/2023
21-07-01	Application of The Connecticut Light and Power Company and Yankee Gas Services Company, each individually d/b/a Eversource Energy, The United Illuminating Company, Connecticut Natural Gas Corporation, and The Southern Connecticut Gas Company for Approval of Arrearage Forgiveness Program 2021-2022	9/6/2023
23-05-01	Annual Review Of Affordability Programs And Offerings (Energy Affordability Annual Review)	10/11/2023
23-08-02	Annual Residential Renewable Energy Solutions Program Review - Year 3	11/1/2023
23-08-03	Annual Non-Residential Renewable Energy Solutions Program Review - Year 3	11/82023
23-08-05	Annual Energy Storage Solutions Program Review - Year 3	11/29/2023
23-08-06	Annual EV Charging Program Review - Year 3	11/29/2023
23-08-04	Annual Shared Clean Energy Facility Program Review - Year 5	12/6/2023
22-08-07	Innovative Energy Solutions Program Cycle 01	12/13/2023
23-08-09	Annual Electric Distribution Company Reliability And Resilience Framework Review	12/13/2023

Docket Number	Title	Decision Date
22-06-05	PURA Implementation Of Public Act 22-55	12/20/2023
22-06-29	PURA Investigation Into Distributed Energy Resource Interconnection Cost Allocation	12/20/2023
23-07-02	PURA Implementation Of The Provisions Of Public Act 23-199	12/20/2023
17-12-03 RE02	PURA Investigation Into Distribution System Planning Of The Electric Distribution Companies -Advanced Metering Infrastructure	1/3/2024

A comprehensive list of PURA 2023 decisions is available in Appendix 2, attached to this Report.

SECTION 4: THE ELECTRIC SECTOR

1.5 M Customers

The Electric Sector is the largest industry regulated by PURA with over $2.88 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 1.5 million customers (also called "ratepayers"), which represents over 90% of the state's electric customers.

The Authority's oversight of the EDCs, which is detailed in Conn. Gen. Stat. Title 16, 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;[1] 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.[2] The cost of electricity supply is now dictated by the regional wholesale energy markets overseen by the Independent System Operator of New England (ISO-NE or ISO New England). Although ratepayers are authorized to shop for an alternate supplier, most ratepayers elect to remain on standard default 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 return on the cost of electricity supply.

On January 1, 2023, the EDCs' procured supply rates effectively doubled, reflecting increased wholesale electricity prices due to a variety of factors, but most significantly, the cost of natural gas. As shown by Figure 14, natural gas fuels approximately 53% of New England's electricity generation. With ongoing global conflicts, high demand, and natural gas transmission constraints, the price for electricity generated by natural gas plants increased dramatically. Since natural gas is the "marginal resource", or the resource that sets the price in the wholesale energy markets in most hours, this means that electricity generation overall in New England became more expensive in early 2023 when natural gas prices rose.[3]

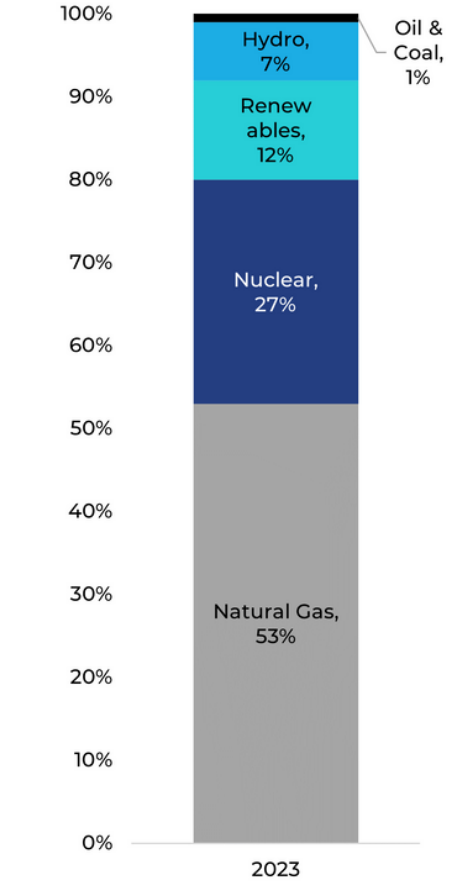
Connecticut, and many other states in New England, have committed to decarbonizing their electric sectors and reducing their reliance on natural gas for electricity generation.[4] ISO New England has reported that it currently has over 35,000MW of new generating capacity proposals in its interconnection queue, the majority of which is wind or battery storage.[5] Over time, as the region shifts to renewable resources powered by low- or zero-cost energy inputs, wholesale electric supply costs should decline.

In the meantime, the Authority recognizes that in a state with already high utility rates, any increase is alarming, frustrating, and harmful for many ratepayers. Though the Authority unfortunately does not regulate the price of wholesale electric supply, it has designed and implemented multiple affordability and shut-off protection programs,

particularly for customers with past-due balances, and renewable energy tariffs that facilitate a ratepayer's decision to install, lease, or subscribe to solar facilities in the state to gain some control over their electric supply costs. See Section 3 for further details on these programs.

While the Authority does not have oversight over the regional wholesale energy markets, it does have the ability to review and modify, as necessary, the manner in which the EDCs procure electricity supply for their customers. On January 12, 2024, PURA issued a Legislative Report that reviewed the current Standard Service (SS) electric procurement practices, i.e., the process by which the EDCs' supply offer is determined, and conducted an initial analysis of potential modifications to the process that could result in more reasonable rates, more stable rates, or outcomes more reflective of market prices. Further discussion on this report is available in Section 3.

Figure 14: New England Regional Generation Mix



Source: ISO New England

KEY ELECTRIC SECTOR TOPICS IN 2023

Safety: Assessing Accident Response Operations

Maintaining the safety of the electric grid, for both the public and utility employees, is paramount for the provision of reliable and cost-effective electric service. As such, the Authority takes accidents involving grid infrastructure and the enforcement of safety standards and regulations very seriously. Electric distribution companies are legally required to notify PURA of any accident resulting in personal injury or involving public safety, which was or may have been connected with or due to the operation of the grid as soon as reasonably possible, and to update the Authority at regular intervals thereafter. Should the Authority find that a company has failed to comply with these laws and regulations, it can issue fines to regulated entities.[6]

In 2023, the Authority conducted investigations related to accidents impacting the distribution grid that involved both civilians and contractors used by Eversource.[7]

Docket No. 23-01-32, Investigation into Eversource's Manner of Operation and Safety Regarding its Underground Electric Distribution System, focused on accidents related to Eversource's underground infrastructure, while Docket No. 23-01-39, Investigation into the Response of The Connecticut Light and Power d/b/a Eversource Energy to the Accident on January 17, 2023, at 602 Greenwoods Road, Norfolk, CT, investigated Eversource's response to an accident involving a civilian vehicle. The Authority's investigations of these events are summarized below.

Eversource's Response to Operations and Maintenance Accidents

Connecticut regulations define major accidents for utilities as "[a]ny explosions, major fires or other cases of serious damage at any utility facility . . . ."[8] Between April 2022 and February 2023, Eversource filed at least six major accident reports related to its underground electric distribution infrastructure:

1. Electrical fault in manhole No. 27 at 310 Main Street in Middletown at 11:48 a.m. on April 22, 2022 (Middletown Incident);
2. Fire in network vault at 29 Main Street in Waterbury at 11:49 a.m. on June 9, 2022 (Waterbury Incident);
3. Failed splice in or around manhole No. 719 at 128 Black Rock Avenue in New Britain at 11:14 p.m. on August 3, 2022 (New Britain Incident);
4. Damaged cable that resulted in dislodged cover at manhole No. 20 at 44 Harwinton Avenue in Torrington at 8:06 a.m. on August 23, 2022 (Torrington Incident);
5. Electrical fault at a pad-mounted transformer near 627 Churchill Drive in Newington at 7:44 p.m. on September 8, 2022 (Newington Incident); and
6. Fire occurred where rubber insulation on the secondary cable ignited at manhole No. 1029 on Laurel Street in Hartford prior to 3:02 p.m. on February 2, 2023 (Hartford Incident).

In its November 22, 2023 decision in Docket No. 23-01-32, the Authority found that all of the above incidents, with the exception of the Newington Incident, met the definition of major accident and therefore were subject to the regulatory reporting requirements. Nonetheless, multiple of the required reports were submitted outside the required timeframes and all contained reporting deficiencies, including leaving some sections of the reporting forms blank. The regulations provide clear requirements for accident reports. For example, Eversource is required to include the "total number of injured employees" but elected to leave this value blank in several reports.

The Authority also observed during its investigation that Eversource is required to file a maintenance plan to the Authority on an annual basis. Under the Eversource Electric Utility Line Maintenance Plan – 2022 (Maintenance Plan), the Company is to inspect manholes every five years. The objectives of such inspections are to prevent or mitigate service interruptions, extend the useful life of equipment, avoid future, more costly maintenance and repairs, and ensure compliance with safety rules, regulations, legal

requirements, and contractual agreements. However, through this proceeding, the Authority found that inspections at four of the six incident locations were significantly overdue.

Eversource's failure to comply with both regulatory accident reporting requirements, and with its own Maintenance Plan, raised concerns regarding the Company's managerial oversight and whether the Company is prudently and efficiently operating its franchise. Therefore, the Authority directed Eversource to submit a report to PURA identifying any non-compliance with the Maintenance Plan on an annual basis until its next rate proceeding. The report shall state the cause of the non-compliance and any corrective or remedial action taken by the Company to address the non-compliance.

Eversource's Response to a Civilian Accident

Docket No. 23-01-39, Investigation into the Response of The Connecticut Light and Power d/b/a Eversource Energy to the Accident on January 17, 2023, at 602 Greenwoods Road, Norfolk, CT, investigated Eversource's response to an accident that occurred on January 17, 2023, at 2:23 p.m. A motor vehicle collided with a utility pole on Greenwoods Road East in Norfolk, CT causing electrical wires to fall on the car, entrapping the two people inside the vehicle. This incident was considered a "Priority 1" in that it was a life-threatening situation where live wires prevented emergency responders from performing rescue efforts and first aid.

PURA is responsible for determining whether Eversource's response to this accident was prudent and reasonable. To make this determination, the Authority assembled the sequence of events following the accident and assessed whether the actions taken were completed in the order prescribed by the Company's protocols. The sequence of events includes the time that the Company's System Operation Center (SOC) received notification of the accident, the time a Response Specialist was assigned to address the incident, the time the area was deenergized, and the time that the individuals were rescued from the vehicle. Importantly, it is Eversource's policy to assign the "fastest" available Response Specialist to address a Priority 1 event as this type of event requires immediate attention and is of the highest priority relative to other lower-level events.

In reviewing the sequence of events, PURA found that rather than immediately assigning a Response Specialist after receiving the notice of a Priority 1 event, it took 17 minutes for Eversource's SOC to do so. Further, the SOC did not assign the fastest available Response Specialist, further delaying Eversource's response to the accident by a total of 25 minutes. Notably, as first responders are directed to treat electrical lines as energized under Priority 1 events until Eversource personnel arrive and can confirm the area is safe, any delay in Eversource's response has impacts on timely aid to the entrapped individuals. Given the life-threatening nature of this accident, this could have had serious consequences for the individuals in the vehicle, who were trapped for nearly an hour. Accordingly, the Authority found that the Company's procedures and actions in response to the Accident were imprudent.

As a result of PURA's finding of Eversource's imprudent response, the Authority developed a prospective Priority 1 response target. To do so, PURA first evaluated Eversource's response to the nearly 2,000 previous Priority 1 calls that did not occur during a major storm (also known as "Blue Sky Priority 1 Calls") between January 2, 2018, and March 16, 2023. Based on the evaluation, the Authority found that Eversource's average response time, i.e., the period between the time the Company received the Blue-Sky Priority 1 Call and the time the Company arrived at the scene of the Priority 1 event, is 29 minutes and 43 seconds. The Authority also found that Eversource's response time for 92.05% of the Blue-Sky Priority 1 Calls is 45 minutes or less and is 30 minutes or less on 68.52% of the calls. Based on the evidence in the record, including the Company's response time data and the timeline of its response to the Accident, the Authority determined that a response time target of 30 minutes (30-Minute Target) for Blue-Sky Priority 1 Calls is reasonable and appropriate to better protect public safety.

Importantly, the Decision recognizes that extenuating circumstances may exist for exceeding the 30-Minute Target for a given event. Thus, the Decision specifies information requirements that Eversource must provide in its accident reports to the Authority explaining the circumstances that prevented the target from being met should Eversource fail to meet this new 30-Minute Target. The Authority will review this information as part of future accident investigations to determine if delays were caused by factors out of the Company's control, such as weather or traffic conditions.

Following the completion of the Authority's investigation in Docket No. 23-01-39, the Authority issued a Notice of Violation and Assessment of Civil Penalty (NOV) in Docket No. 23-01-39RE01, PURA Consideration Of Civil Penalty And Enforcement Action Against The Connecticut Light And Power D/B/A Eversource Energy After Investigation Of The Accident, against Eversource for violations of Title 16 of the General Statutes of Connecticut and orders or regulations adopted by the Authority. In this decision, the Authority found that Eversource violated Conn. Gen. Stat. § 16-16 and Conn. Agencies Regs. § 16-163 and consequently, fined Eversource $12,500.

Additional Safety Investigation Resources

- Dkt. No 23-01-32 Final Decision
- Dkt. No. 23-01-39 Final Decision
- Dkt. No. 23-01-39RE01 Final Decision
- Dkt. No. 23-05-87 UI Final Decision

Affordability: Annual Rate Adjustment Mechanisms

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 as explained in Section 1.

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 prudency 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.[9] Areas of review include, but are not limited to: the collection timeline of each rate component, including transmission; 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 prudency review; any differences between the May 1 rates and the findings of the Authority's prudency review go into effect September 1 of the current year.

In accordance with Conn. Gen. Stat. § 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 shall reflect 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. Like a rate case, this is an essential tool that PURA uses to regularly ensure that costs being recovered from ratepayers are only those that are prudent and necessary.

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.

Additional 2023 RAM Resources

- Eversource RAM Interim Decision
- Eversource RAM Final Decision
- UI RAM Interim Decision
- UI RAM Final Decision
- UI RAM TAC Reconsideration

Table 11 below provides an illustrative example from the final decision in Docket No. 23-01-03 issued on August 16, 2023, of PURA's determination of whether Eversource under- or over-collected revenue for each rate component in 2022. Based on the below under- or over-collection, the Authority made appropriate adjustments to rates in 2023, while also taking into account the revenues and expenses Eversource was likely to incur through each rate component in 2023.

Table 11: 2023 Eversource RAM Determination by Rate Component

Rate Component	Determination	Amount
Generation Services Charge (GSC)	Under-Collection	($29,290,269)
Bypassable Federally Mandated Congestion Charges (BFMCC)	Over-Collection	$8,562,783
Non-bypassable Federally Mandated Congestion Charges (NBFMCC)	Over-Collection	$234,482,565
Transmission Adjustment Clause (TAC)	Over-Collection	$4,603,708
Systems Benefit Charge (SBC)	Over-Collection	$16,981,906
Electric Systems Improvements (ESI)	Under-collection	($26,947,289)
Competitive Transition Assessment	Under-Collection	($2,773,134)
Revenue Decoupling Mechanism	Under-Collection	($10,422,833)

Reliability: Storm and Emergency Event Planning

ESF-12

The increase in major storms that have impacted Connecticut over the past decade, including those at the beginning of the 2010s, as well as 2020's Tropical Storm Isaias, and the increased frequency and severity of extreme weather events in recent years, including the fires and heat waves in the Southwest U.S., Hurricane Ian in Florida, and the flash flooding events across the Eastern U.S., demonstrate the necessity of diligent and continuous emergency response planning.

Following the severe storms that hit Connecticut in 2011, the Department of Emergency Services and Public Protection's (DESPP) Division of Emergency Management and Homeland Security was directed to establish an Emergency Planning and Preparedness Initiative to prepare the State's response in advance of future events. One component of this initiative was the creation of an Energy and Utilities Work Group that would prepare an "All-Hazards Energy and Utilities Annex" to the State Response Framework that established a process to coordinate with state and local emergency operations and to restore power and utility service to critical public facilities during disasters. This Annex is often referred to as Emergency Support Function 12, or ESF-12.[10] The official ESF-12 Annex was released in August of 2013 and continues to be maintained by Working Group members. The ESF-12 Annex defines the operational processes used to coordinate energy and utility-related emergency response actions. The annex covers all utility sectors (gas, water, electric) and defines the emergency preparedness, response, and recovery actions.

PURA serves as the lead agency of the ESF-12 Working Group, which is responsible for conducting emergency preparedness activities. Emergency preparedness responsibilities include ensuring that operating procedures are in place in advance of emergencies, coordinating with utility and State and local emergency services to ensure emergency planning measures are in place, planning and participating in emergency exercises and training, identifying critical facilities, and helping identify road clearing priorities.

The ESF-12 Working Group meets on a quarterly basis, or as needed, to address potential or active threats. In 2023, PURA organized and held non-emergency ESF-12 Working Group meetings on March 21, June 14, September 13, and December 20. The focus of those meetings was to continue the ongoing work to plan and address load shedding during winter energy emergencies, improve coordination among different utility sectors for service restoration during outage events, and provide cybersecurity expertise to group members.

Following lessons-learned from the Tropical Storm Isaias investigation, the Authority identified that additional planning and coordination was needed between the electric sector and telecommunications and water/wastewater sectors. The Authority's investigation yielded the finding that better communication and coordination between

these sectors is necessary to improve the restoration of key telecommunication and water/wastewater infrastructure. Consequently, the Authority established two subgroups to the ESF-12 Working Group, one to aid coordination between EDCs and telecommunication providers to ensure that critical telecommunication infrastructure has been identified in advance of storms. The other subgroup is designed to aid coordination between the EDCs and the water/wastewater providers to likewise ensure their critical facilities are identified prior to storms so that they can be properly prioritized for restoration during an event.

The two subgroups made notable progress in 2023, developing and sharing critical facility lists for water, wastewater, and telecommunications critical infrastructure sectors. Progress included defining critical facilities for each industry, developing lists of priority restorations, and incorporating those facilities into electric distribution company restoration planning. Ongoing work will continue to incorporate more industry providers (especially smaller water and wastewater utilities) into the coordination to ensure statewide participation.

The ESF-12 Working Group also focused on addressing the potential for rolling blackouts throughout New England in future winters. This included refining rolling load-shedding plans, incorporating low-pressure gas systems into electric outage planning, and thinking through communication protocols for such an event.

The ESF-12 Working Group will continue to focus on inter-utility coordination and winter reliability planning in 2024. Upcoming ESF-12 meetings are scheduled for March 15, June 18, September 11, and December 11, 2024.

[1] An electric aggregator is an entity that brings customers together to buy electricity in bulk in order to increase customers' buying power.

[2] Public Act 98-28, An Act Concerning Electric Restructuring.

[3] Throughout New England, wholesale electric prices are set by the sum of the cost of energy, a local congestion component, and a measurement of local loss component, together constituting the Locational Marginal Price (LMP). The Day-ahead LMP is set using scheduled energy bids for each hour in the next day. Because natural gas is the largest fuel source for the region, it therefore has a significant effect on wholesale electric prices by setting the cost of energy.For more information, see ISO New England's 2022 Annual Markets Report, issued June 1, 2023, available at: https://www.iso-ne.com/static-assets/documents/2023/06/2022-annual-markets-report.pdf

[4] Public Act 22-5, An Act Concerning Climate Change Mitigation.

[5] See ISO New England's 2023 Regional System Plan, p. 98, issued November 1, 2023, available at: https://www.iso-ne.com/static-assets/documents/100005/20231114_rsp_final.pdf

[6] See Conn. Agencies Regs. §§ 16-16-1 through 16-16-4.

[7] The Authority also completed an investigation of a fatal accident involving a UI contractor through Docket No. 23-05-87,PURA Investigation into the Fatal Accident that Occurred on May 17, 2023 at 2150 Post Road, Fairfield, CT, on January 24, 2024.

[8] See Conn. Agencies Regs. § 16-16-2(a)(9) and § 16-16-3(e)

[9] This review is inclusive of all reconciling component rates, regardless of whether the Authority has jurisdiction over the underlying costs. For example, electric transmission is overseen by the Federal Energy Regulatory Commission; however, transmission costs are recovered from retail electric customers. Thus, the Authority has purview over the timing and manner in which the transmission costs are passed on to Eversource and UI ratepayers, but not the amount due.

[10] Connecticut Emergency Support Function 12 – All Hazards and Utilities Annex, August 2013, https://portal.ct.gov/-/media/DEMHS/_docs/Plans-and-Publications/EHSP0061-SRF-ESF12--EnergyandUtilitiesAnnex.pdf

2023 ELECTRIC SECTOR DECISIONS

Docket Number	Title	Decision Date
18-08-14RE01	PURA Review of the Combined Heat and Power Project Solicitation Pursuant to Conn. Gen. Stat. §16-258e – Request to Modify Order No. 4	1/4/2023
22-12-14	Petition for Approval of the Manner and Method of Construction and Permission to Energize the Milvon to West River Railroad Transmission Line 115-kV Rebuild Project	1/11/2023
22-06-01	2021 Annual RPS Compliance Review (Errata)	1/18/2023
23-01-17	Petition for Approval of Method and Manner of Construction and Permission to Energize the Pootatuck to Stevenson Line Rebuild Project	2/8/2023
23-01-18	Petition For Approval of Method and Manner of Construction and Permission: to Energize the 1280 Line from Whipple Junction to the Groton Town line as part of the Ledyard Junction to Mystic Substation Upgrade Project	2/22/2023
22-10-05	Petition of Sunnova for a Declaratory Ruling Regarding Ownership of Capacity Rights Regarding Class I Renewable Energy Sources Participating in the Resi. Renewable Energy Solutions Program	3/22/2023
22-11-01	2022 PURA Report to the General Assembly Regarding the State of Electric Competition	3/29/2023
22-12-12	Application to Approve and Install a Single Meter at 359 Hazard Ave., Enfield, CT 06083	4/5/2023
21-05-15	PURA Investigation into the Establishment of Integrated Distribution System Planning within a Performance-Based Regulation Framework	4/26/2023
23-04-50	Petition For Approval Of Method And Manner Of Construction And Permission To Energize The 3754 And 3041 Lines For The 3754/3041 Transmission Lines Structure Replacement Project	5/31/2023

2023 ELECTRIC SECTOR DECISIONS

Docket Number	Title	Decision Date
23-02-01	PURA Annual Reconciliation of the Conservation Adjustment Mechanisms filed by The Connecticut Light and Power Company, The United Illuminating Company, Connecticut Natural Gas Corporation, The Southern Connecticut Gas Company, and Yankee Gas Services Company	6/21/2023
23-05-32	Petition For Approval Of The Manner And Method Of Construction And Permission To Energize The Derby Junction To Ansonia 115-Kv Transmission Rebuild Project	6/28/2023
23-05-69	Petition For Approval Of Method And Manner Of Construction And Permission To Energize The 1222/1637/1714/1720 Weston Substation To Old Town Substation Lines Rebuild Project	7/12/2023
14-07-19RE07	PURA Investigation Into Redesign of the Residential Electric Billing Format – Cost Allocation Among Suppliers for System Redesign and Associated Costs	7/26/2023
23-01-39	Investigation into the Response of The Connecticut Light and Power d/b/a Eversource Energy to the Accident on January 17, 2023, at 602 Greenwoods Road, Norfolk, CT	8/9/2023
23-01-03	PURA Annual Review of the Rate Adjustment Mechanisms of The Connecticut Light and Power Company	8/16/2023
23-01-04	PURA Annual Review of the Rate Adjustment Mechanisms of The United Illuminating Company	8/16/2023
23-07-23	Petition For Approval Of Method And Manner Of Construction And Permission To Energize The 1637 And 1720 Lines Rebuild Project	8/16/2023

Docket Number	Title	Decision Date
23-06-33	Application For Temporary Master Meter Approval At 2155 Main Street, Hartford, Ct	8/23/2023
22-08-08	Application of The United Illuminating Company to Amend Its Rate Schedule	8/25/2023
23-07-19	Application Of UI To Issue Debt	9/20/2023
23-08-26	Petition For Approval Of Method And Manner Of Construction And Permission To Energize The Norwalk Bridge 115-KV Transmission Relocation Project From Darien Substation To Fitch Substation (Line 1028) And Sono Substation To Sherwood Substation (Line 1146)	9/27/2023
23-09-10	Petition For Approval Of Method And Manner Of Construction And Permission To Energize The 1610/1355/1690 Southington To Cook Hill Rebuild Project	10/11/2023
23-09-16	Petition For Approval Of Method And Manner Of Construction And Permission: To Energize The 1268, 1485, 1622, And 1887 Lines As Part Of The Brookfield Junction To Bates Rock Substation Upgrade Project	10/25/2023
23-01-04	PURA Annual Review of the Rate Adjustment Mechanisms of The United Illuminating Company	10/25/2023
23-09-26	Petition Requesting Reconsideration	11/1/2023
23-06-02	Genconn Energy LLC Application To Establish 2024 Revenue Requirements	11/8/2023

Docket Number	Title	Decision Date
23-08-27	Application For Temporary Master Meter Approval At 9 Covered Bridge Road, Newtown, CT	11/22/2023
23-01-32	Investigation Into Eversource's Manner of Operation and Safety Regarding its Underground Electric Distribution System	11/22/2023
23-10-13	Petition For Approval Of Method And Manner Of Construction And Permission To Energize The Pootatuck Substation To West Devon Junction Rebuild Project	11/22/2023
23-06-03	GB II New Haven LLC Application To Establish 2024 Revenue Requirements	12/6/2023

A comprehensive list of PURA 2023 decisions is available in Appendix 2, attached to this Report.

SECTION 5: THE NATURAL GAS SECTOR

600K CUSTOMERS

PURA is responsible for the regulation and oversight of all in-state natural gas pipelines, both as they relate to the operation and management by the owners and operators of such pipelines and regarding public safety.[1] These owners and operators of in-state natural gas pipelines are commonly referred to as the local distribution companies (LDCs). The LDCs receive gas from interstate transmission pipelines and distribute the gas to retail customers. Pipelines, called mains, run down streets to distribute the gas throughout the area. Smaller service lines run from the mains to the individual customers.

LDCs are required to meet both Minimum Federal Safety Standards and the laws and regulations of Connecticut, which together address most areas of gas operator activities. Detailed requirements apply to the materials that may be used for constructing new gas pipelines. The requirements also address permitted pressure levels for the systems, design standards for the facilities, construction requirements, and initial testing of the facilities to ensure safety. There are extensive requirements for welding steel and other forms of joining materials. Corrosion control, operation and maintenance, emergency response, and qualification of employees to perform safety-related activities are also covered.

PURA's gas pipeline inspection program uses a combination of field inspections and reviews of company plans, procedures, and records to ensure compliance with applicable safety requirements. When a safety incident occurs, PURA staff will perform an investigation of the cause, and may levy fines or penalties depending on who or what was responsible for the incident. Any member of the public may file a complaint reporting defects or state or federal safety violations of any part of the natural gas pipeline infrastructure in the state to the Authority.

Submit a Safety Complaint or Contact CBYD:
Call 811 or 1-800-922-4455

Sometimes, damage to a gas pipeline is caused by improper or unauthorized digging during construction projects. Excavation damage to underground utility facilities can cause fires and explosions, injuries, deaths, and significant disruptions to public utility service. To prevent this, PURA administers the Call Before You Dig (CBYD) program. The CBYD Program was established to protect the public safety with regard to excavations near underground facilities by providing a communications link between excavators, public agencies, and public utilities. Excavators must call CBYD prior to digging, and then CBYD will notify all utilities that might be in the area. Utilities will then locate their pipes and cables using paint and stakes so excavators can conduct their work without causing damage to existing underground utilities. The Authority assesses significant civil penalties to any party who violates the statutes and regulations, which are not recoverable in rates.

In 2023, PURA conducted robust inspection processes, and found and corrected multiple violations. Additionally, PURA issued multiple civil penalties designed to deter further noncompliance.

484
Pipeline Safety Inspection Person-days

828
CBYD Inspections

80
Total Violations Found

$1.4 M
Civil Penalties Issued

KEY NATURAL GAS TOPICS IN 2023

The Authority's foremost responsibility related to natural gas is ensuring the safe and affordable delivery of service throughout the state. In addition to inspections, documentation review, and civil penalties, the Authority can monitor and enforce safety compliance through the adoption of regulations and measurement of leak metrics. In 2023, PURA revised its regulations for the first time since the 1960's, and completed its

annual Lost and Unaccounted for Gas Report, which will both support continued high standards of safety and affordable service in Connecticut.

Updates to Connecticut's Gas Pipeline Safety Regulations

On July 25, 2023, the Authority initiated Docket No. 23-07-21, Regulations for Gas Pipeline Safety, to repeal, amend, and adopt new gas pipeline safety regulations for Connecticut. Before this date, the existing regulations had not been revised since the 1960's.[2] Since that time there have been significant changes in the gas industry 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.

The Authority issued draft proposed regulations on August 21, 2023, and held a public hearing on October 11, 2023, accompanied by an opportunity to submit written comments through October 20, 2023. The Authority received comments from CNG and SCG, Yankee Gas, and Norwich Public Utilities. Importantly, though PURA does not regulate the rates of municipal utilities such as Norwich Public Utilities, all state gas safety regulations apply to all gas companies in Connecticut, regardless of their ownership structure. The Authority reviewed all comments and issued final proposed regulations with appropriate revisions on January 3, 2024. Key amendments in the final proposed regulations include, for example, strengthening the qualification and training requirements for pipeline operators and codifying enhanced leakage reduction procedures, as well as leak severity level criteria as set by the October 7, 2020 Decision in PURA Docket No. 20-02-19, PURA Investigation into a Uniform Natural Gas Leak Classification.

These regulations will be considered final only after review and approval by the Office of the Attorney General and the Legislative Regulation Review Committee (LRRC). Upon approval by the Office of the Attorney General and the LRRC, these modern regulations that benefit public safety, employee safety, and the environment will take effect.

Additional Gas Pipeline Safety Regulation Resources

- PURA Final Proposed Regulation Amendments
- eRegulations System Tracking Number: PR2023-019

Lost and Unaccounted for Gas Report (LAUF Gas)

The Authority is required to submit a report to the General Assembly each year reporting on LAUF gas in Connecticut. LAUF gas is an accounting concept and ratemaking tool developed to balance the receipts and deliveries of natural gas. During a 12-month period, a difference may arise between the amount of gas injected into a distribution system and the gas measured at customers' meters; this difference is accounted for using the concept

of LAUF gas. The LAUF gas metric is comprised of various sources, such as measurement and accounting errors, estimates for unbilled gas, stolen gas, and pipe leaks. Thus, LAUF gas encompasses both a physical (e.g., from leaky pipes) and a nominal component. LAUF gas must be kept to a reasonable and prudent level because uncontrolled LAUF gas can indicate that there are excessive leaks, or utility mismanagement in repairing leaks, resulting in customers paying too much for gas.

In 2023, PURA opened Docket No. 23-03-02, 2023 PURA Report to the General Assembly Concerning Lost and Unaccounted for Gas, to review the 2022 LAUF reports submitted by CNG, SCG, and Yankee Gas. If the LDCs reported LAUF gas for the previous year exceeds 3%, PURA is obligated to undertake further investigations. The Authority requires the LDCs to submit LAUF data on both a calendar year and a summer-to-summer basis because Connecticut's LDCs experience peak sales and delivery of natural gas during the winter months. Therefore, a 12-month period from summer-to-summer provides a more accurate LAUF calculation because it encompasses a full winter heating season. The associated loss of revenue attributable to LAUF gas calculated from summer-to-summer is then recovered by the LDCs through the purchased gas adjustment (PGA) mechanism. Table 12 displays the historical summer-to-summer LAUF Gas over the past five years.

Table 12: Historical LAUF Gas During Summer-to-Summer Period

Year	CNG	SCG	Yankee
2018	1.79%	1.52%	1.13%
2019	1.81%	2.06%	1.17%
2020	1.41%	1.44%	1.15%
2021	2.00%	2.86%	1.12%
2022	1.97%	2.53%	1.36%

Based on the data in Table 12, the Authority found that the LAUF gas percentages for the LDCs in 2022 are below the 3% threshold and therefore do not require further investigation. Nonetheless, gas leak reduction continues to be a major priority for both the Authority and the LDCs. Indeed, two major threats to an LDC's system integrity are aging infrastructure and third-party damage during excavation work. At the direction of the Authority, the LDCs have implemented a variety of methods to address these threats and reduce gas leaks. These methods include but are not limited to: replacing older leak-prone infrastructure; implementing distribution integrity management programs; and executing aggressive damage prevention programs and enforcement such as CBYD. The Authority recommended that the LDCs continue their efforts to implement the programs listed above to further reduce gas leaks.

In addition to reporting LAUF Gas, the LDCs provide the number of leaks that they repaired, broken down by the cause of leak, as well as the remaining leaks. Leaks are categorized on a series of grades that reflect the hazard level. A Grade 1 Leak represents an existing or probable hazard to persons or property.[3] A Grade 2 Leak is a leak that is

recognized as nonhazardous to persons or property at the time of detection, but justifies a scheduled repair based on probable future hazard.[4] A Grade 3 Leak is a leak that is recognized as nonhazardous to persons or property at the time of detection and can be reasonably expected to remain nonhazardous. All Grade 1 leaks must be repaired immediately; however, Grade 2 leaks are not always repaired immediately, but are still considered important. The Authority limits the number of Grade 2 leak backlogs at the end of each calendar year based on the number of miles of gas mains in a company's territory. For CNG and SCG, the limit is no more than 30 outstanding leaks at the end of each calendar year; for Yankee Gas, the limit is 45. As of the end of 2022, CNG and SCG each had 11 Grade 2 leaks remaining, while Yankee Gas had 5.

Additional LAUF GAs Resources

- 2023 LAUF Gas Report

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[1] See Conn. Gen. Stat. § 16-272.

[2] See Conn. Agencies Regs. §§ 16-11-22, 16-11-31, 1611-41, and 16-16-2.

[3] A Grade 1 Leak is present if any of the eight conditions listed in Appendix A of the Leak Classification Decision occurs.

[4] A Grade 2 Leak is present if any of the six conditions listed in Appendix A of the Leak Classification Decision occurs.

2023 NATURAL GAS SECTOR DECISIONS

Docket Number	Title	Decision Date
22-10-01	PURA Annual Review of the Purchased Gas Adjustment Clause Charges or Credits Filed by Connecticut Local Distribution Companies	5/17/2023
23-04-15	Application Of Yankee Gas Services Company Dba Eversource Energy For Approval Of The Issuance Of Long-Term Debt	6/7/2023
23-03-02	2023 PURA Report to the General Assembly Concerning Lost and Unaccounted for Gas	6/21/2023
23-07-18	Application Of CNG To Issue Debt	9/13/2023
23-09-01	Call Before You Dig, Inc. - Proposed Budget For 2024	12/20/2023
23-03-01	Annual Review of the System Expansion Reconciliation Mechanisms	10/4/2023

A comprehensive list of PURA 2023 decisions is available in Appendix 2, attached to this Report.

SECTION 6: 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 is chaired by PURA Vice Chairman Jack Betkoski. 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 2023

Water Conservation

Despite typically receiving plentiful precipitation, Connecticut is not exempt from experiencing drought conditions. Though Connecticut is not currently experiencing drought conditions, PURA continuously works to ensure that utility rate designs encourage conservation and responsible water use, particularly through a regulatory tool called the Water Infrastructure Conservation Adjustment (WICA) surcharge. 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. Pursuant to Conn. Gen. Stat. § 16-262w(i), the amount of WICA charged between general rate case filings cannot exceed 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 Conn. Gen. Stat. § 16-262v(1). Specifically, the project is eligible if it:
- Improves or protects the quality and reliability of service to customers including:
  - 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;
  - covers main cleaning and relining projects;
  - relocation of facilities as a result of government actions, the capital costs of which are not otherwise eligible for reimbursement; [and]
  - 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 2023, PURA issued WICA decisions on Semi-Annual Filing Reports (SAFR) filed by the Connecticut Water Company (Docket Nos. 20-12-30WI05 and 20-12-30WI06), the Hazardville Water Company (Docket No. 12-07-07WI19), the Jewett City Water Company (Docket No. 20-10-31WI01), and the Torrington Water Company (Docket No. 10-05-01WI26). These decisions authorized one or more of the following: new projects as WICA-eligible; modifications to projects previously identified as WICA-eligible; and/or an

increase in the WICA surcharge (up to 10% of the approved revenue requirement in total) to recover costs associated with completed WICA projects. A summary of these decisions is in Table 13 below:

Table 13: 2023 WICA Decisions by Company

Docket Number	Company	Decision Date	New Approved WICA Project Types	Cumulative Completed WICA Investments	Current Surcharge
20-12-30WI05 20-12-30WI04 20-12-30WI06	Connecticut Water Company	3/22/2023 3/29/2023 9/25/2023	Water Mains, pressure reduction valves, customer-side service line replacement	$70,762,974	7.38%
12-07-07WI19	Hazardville Water Company	12/20/2023	Water Mains	$2,699,624	9.98%
20-10-31WI01	Jewett City Water Company	9/20/2023	Water Mains	$616,092	3.4%
10-05-21WI26	Torrington Water Company	3/29/23	Water Mains, relocation / replacement of fire hydrants and service lines owned by the Company	$5,161,380	9.96%

The Authority also reconciled 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, through the following decisions: Aquarion Water Company (Docket No. 13-02-20WI24); Connecticut Water Company (Docket No. 20-12-30WI04); the Hazardville Water Company (Docket No. 12-07-07WI19); and the Torrington Water Company (Docket No. 10-05-01WI25).

Water Industry Consolidation

As part of PURA's responsibility overseeing the provision of safe, clean, reliable, and affordable utility service, the Authority must evaluate and consent to any water company's application to cease operations. Specifically, PURA will consider how the water company plans to ensure that there is a continuous supply of clean water at adequate pressure and volume, regardless of whether they are the operating company. [2]

On September 30, 2022, PURA received a joint application from Aquarion and the town of New Hartford in Docket No. 22-09-18, Joint Application of the Town of New Hartford and Aquarion Water Company of Connecticut for Approval of the Transfer of Water and Wastewater System Assets, requesting consent and approval for Aquarion to acquire New Hartford's Water System and Wastewater System, and for New Hartford to cease operations as a water company. Aquarion stated it would pay New Hartford $8 million to acquire all the assets related to those systems. The New Hartford Water System, which is regulated by DPH as a community public water system, serves 404 residential users, 40 commercial users, 8 industrial users, and 6 New Hartford-owned buildings in New Hartford. The Wastewater System, which is classified as a Municipal Sewerage System and is regulated by DEEP, serves a population of approximately 900, with 218 customers, 213 of which are also customers of the Water System. Following acquisition, Aquarion stated that it planned to spend $358,500 on improvements to the Wastewater System to protect existing wells and the drinking water aquifer.

PURA's consent in acquisitions is dependent on findings, in consultation with DPH, regarding the suitability of Aquarion to acquire the Water Systems and the expenditures required to reasonably operate the system. The Authority considers a number of factors for a Water System acquisition, identified by statute, that include: (1) the geographic proximity of the plant of the acquiring entity to the water company; (2) whether the acquiring entity has the financial, managerial, and technical resources to operate the water company in a reliable and efficient manner and to provide continuous, adequate service to the persons served by the company; (3) the current rates that the acquiring entity charges its customers; (4) public health concerns, including, but not limited to, any closed or active consent decrees or deficiencies identified by DPH relating to the water company; and (5) any other factors the Authority deems relevant.

In conducting their analysis, the Authority and DPH found that Aquarion was suitable to acquire the assets of the Water System. Further, in evaluating whether the acquisition of the New Hartford Water System will impact existing ratepayers, PURA found that anticipated revenues will exceed the estimated cost of service for the Water System by $408,252. Consequently, the acquisition did not indicate a financial deficiency, and no surcharge was required by existing ratepayers.

Conversely, Connecticut law limits PURA's jurisdiction over the transfer of Wastewater

Systems to evaluating the necessity and reasonableness of an acquiring entity's proposed expenses and directing any reasonable improvements to the plant infrastructure such that it is in the public interest.[3] In other words, the Authority's approval is not required for Aquarion and New Hartford to complete the Wastewater System transfer. In this proceeding, Aquarion instead requested PURA's approval of an initial rate for existing Wastewater System customers set equal to the rate they had been paying as customers of New Hartford. Importantly, Aquarion did not file this request as a rate application or an interim rate increase.[4] Without one of these applications, PURA has no statutory authority under which to establish the rates for Aquarion for this set of customers. Instead, the Authority will review the acquisition of the Wastewater System, the expansion of plant, and proposed rates in accordance with all relevant statutes in a future rate proceeding.

Additional Water Acquisition Resources

- New Hartford Acquisition Decision

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

[2] See Conn. Gen. Stat. § 16-262n(c).

[3] See Conn. Gen. Stat. § 16-11

[3] See Conn. Gen. Stat. § 16-19(a); Conn. Gen. Stat. § 16-19(d)

2023 WATER SECTOR DECISIONS

Docket Number	Title	Decision Date
22-07-01	Application of Aquarion Water Company of Connecticut to Amend Its Rate Schedule	3/15/2023
20-12-30WI05	Application of The Connecticut Water Company for a Water Infrastructure Conservation Adjustment Semi-Annual Filing	3/22/2023
20-12-30WI04	Application of The Connecticut Water Company for its Annual Reconciliation of its Water Infrastructure and Conservation Adjustment	3/29/2023
10-05-01WI26	Application of Torrington Water Company for a Water Infrastructure & Conservation Adjustment	3/29/2023
22-09-18	Joint Application of the Town of New Hartford and Aquarion Water Company of Connecticut for Approval of the Transfer of Water and Wastewater System Assets	8/9/2023
20-10-31WI01	Application of Jewett City Water Company for Approval of Water Infrastructure and Conservation Adjustment and Semi-Annual Filing Report	9/20/2023
20-12-30WI06	Application of The Connecticut Water Company for its Water Infrastructure Conservation Adjustment Semi Annual Filing Report	9/25/2023
12-07-07WI19	Application of Hazardville Water Company for a Water Infrastructure Conservation Adjustment Semi Annual Filing Report	12/20/2023

SECTION 7: THE TELECOMM. & UTILITY POLE SECTOR

4.7M COMMUNICATIONS LINES

Since the mid-1990s, both wireless and wireline telecommunications in Connecticut have been largely deregulated under state and federal law. Most telecommunications services, including cellular service, local and long-distance calling, "800" services, and voice over internet protocol (VOIP), are not subject to rate or quality regulations.

Connecticut customers can obtain telecommunication services from The Southern New England Telephone Company (Frontier Communications of Connecticut), which is the primary incumbent local exchange carrier, or from any number of Competitive Local Exchange Carriers (CLECs), or even from cable companies.

PURA continues to provide regulatory oversight of what is referred to as Plain Old Telephone Service (POTS), which is the traditional, analog voice transmission over copper wires. This service, however, has been largely replaced as customers have migrated towards more sophisticated competitive services.

PURA also plays an important role in promoting a competitive telecommunications market through its regulation of public rights-of-way and utility poles, which support a substantial portion of the state's telecommunications infrastructure. With rapid advances in communications technology, PURA endeavors to maintain a regulatory scheme that facilitates equitable and timely access to these critical assets. Further, the CBYD program, discussed in Section 5 and overseen by the Authority, ensures that excavations related to underground telecommunications facilities are done safely and in coordination with other relevant utilities.

Finally, PURA is also responsible for determining and approving funding for public and community technology and telecommunications resources such as Connecticut's

Enhanced Emergency 911 (E-911) program and community access television. These services are critical elements of Connecticut's infrastructure, providing education, and emergency support, and enhancing First Amendment rights for Connecticut's citizens.

KEY TELECOMM & UTILITY POLE TOPICS IN 2023

Enabling Broadband

In 2021, Public Act 21-159, An Act Concerning Equitable Access to Broadband, directed the state to begin promoting the build out of highspeed broadband internet service, particularly in underserved communities, such as rural communities, urban centers, or low-income areas. This Act also specifically directed PURA to develop a process and set of requirements for broadband providers that want to deploy certain underground telecommunications infrastructure in the public rights-of-way. Such requirements include:

1. The size of such conduit shall be consistent with industry best practices and sufficient to accommodate potential demand;
2. Any handholes and manholes for fiber optic cable access and pulling with respect to each such practice shall be placed at intervals consistent with industry best practices;
3. Such conduit shall be installed with a pull tape and capabilities of supporting additional fiber optic cable;
4. The applicant shall notify telecommunications service providers and broadband Internet access service providers of the proposed excavation to reduce the potential for future street excavations in the same location;
5. Any requesting telecommunications service provider or broadband Internet access service provider shall be able to access such conduit on a competitively neutral and nondiscriminatory basis and for a charge not to exceed a cost-based rate;
6. The applicant shall report to the Authority upon completion of any approved construction verifying that it has complied with the provisions of this subsection; and
7. Any other condition deemed prudent and reasonable by the Authority.

On January 14, 2022, PURA issued a notice of proceeding in Docket No. 21-12-21, PURA Implementation of Process and Procedures for Conduit Excavations for Telecommunications Service Providers and Broadband Internet Access Service Providers, pursuant to the requirements of Public Act 21-159. On February 8, 2023, PURA issued a Decision establishing a formal application and approval process for the coordination of construction of conduit excavations in the public rights-of-way by telecommunications and broadband providers. This process, as was intended by Public Act 21-159, will ensure that underground telecommunications and broadband facilities are deployed with

efficiency and care, both minimizing deployment costs and disturbances in the public right-of-way (i.e., fewer instances of streets and sidewalks being dug up). Additionally, this application process will help ensure a competitively neutral and nondiscriminatory process that promotes timely construction of underground excavation while reducing the potential for future excavations.

Specific components that help to achieve these outcomes include a five-year moratorium on underground excavations on certain CTDOT-noticed construction and maintenance projects to ensure the viability of new construction, and a notification deadline to ensure that all broadband providers have the opportunity to review proposed excavations so as to minimize future excavations.

This process formally took effect as of the date of the Final Decision. Applications submitted in compliance with this process have been filed in Docket No. 23-02-03, Application of Conduit Excavation and Notification Process for Telecommunications Service Providers and Broadband Internet Access Service Providers, since that date. In 2023, PURA reviewed and approved 118 applications for conduit excavations statewide, helping to support the deployment of broadband infrastructure.

Additional Conduit Excavation Resources

- Final Decision
- Conduit Excavations Applications

Utility Pole Safety

Utility poles support many services required by modern society including broadband attachments, telephone service, and electric distribution wires. Their common placement throughout communities helps to make these services accessible for millions of residents and businesses. However, given utility poles' proximity to where people live and work, structurally compromised poles can present a significant risk to public safety. Proper and regular maintenance procedures are therefore essential to ensuring safety for all.

An ongoing issue related to poles in Connecticut are the existence of "double poles" that result from inefficient pole maintenance and replacement. The term "double poles" refers to instances when a replacement pole is installed next to an existing pole, but the existing pole removal is not completed. Not only are double poles an aesthetic issue, but they can present public safety hazards. The most common cause of this condition is that all the attachments on the existing pole have not been transferred, which can be hindered by the fact that they must be transferred to the new pole sequentially before the original pole can be removed. If all the attachments are not transferred in a timely manner, the new and old pole may exist together for an extended period of time.

Previous requirements placed the responsibility of transferring a pole attachment on the attachers themselves, but authorized the pole custodian to transfer the facilities if the attachers did not meet the required deadline. If the pole custodian did not comply with the deadlines, they would be subject to fines. Notwithstanding this rule, the number of

double poles throughout the state swelled to 24,672 by June 1, 2022, with over 15,000 of those in delayed status.

In December 2022, the Authority approved a pilot program through its Final Decision in Docket No. 21-07-29, Single Visit Transfer Process for Double Poles, (SVT Decision) to test a "single visit transfer" process (SVT Pilot Program) over a six-month period in six communities around the state (three in Eversource territory and three in UI territory). This pilot was implemented by a mutually selected contractor to make all simple transfers on double poles in those six communities, while collecting data on the status and cause of delays related to poles.

EOE filed its report on progress made, lessons learned, and any modifications during the pilot phase on August 22, 2023. EOE surveyed stakeholders involved in the SVT Pilot Program including Eversource, UI, Frontier Communications of Connecticut, New England Cable and Telecommunications Association, Inc. (NECTA), Rocky Mountain Fiber Plus (Rocky Mountain), Charter Communications Entertainment I, LLC (Charter), Comcast of Connecticut (Comcast), NetSpeed, LLC (NetSpeed), Crown Castle Fiber, LLC (Crown Castle), and Lumen Technologies, Inc. (Lumen). The survey revealed that the SVT Pilot Program was largely successful over the six-month test period. There were no safety issues, no unscheduled customer interruptions, no traffic control issues, and most importantly, double poles had been significantly reduced in the six pilot communities. Further, the contractor retained to implement the pilot was able to address both simple and complex transfers, and successfully coordinated with pole attachers and the EDCs.

An additional concern is the cost and responsibility of ensuring that all pole transfer data, both pre- and post-work, is accurately documented. Both EDCs have indicated that while it is reasonable for them to be responsible for updating the database, an SVT Program at scale would be a significant undertaking and could harm ratepayers. Ideally, the contractor conducting pole transfers would be able to perform this data recording. Unfortunately, the database currently in use does not support this kind of user interface; and EOE therefore recommended that the Pole Attachment Working Group continue to discuss what modifications to the database are achievable to facilitate efficient updates and allow contractors to engage with it.

Additional SVT Program Resources

- SVT Decision
- SVT Pilot Program Report

In compliance with the direction in the Authority's SVT Decision, EOE will submit another update on the SVT Pilot Program no later than February 22, 2024.

Ensuring Continuity of Public Telecommunication Resources

In addition to supporting the deployment of broadband and ensuring the structural safety of the poles throughout the State, the Authority determines and approves 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.

PEGPETIA

In 2007, the General Assembly established the Public, Educational and Governmental Programming and Education Technology Investment Account (PEGPETIA) program to promote and improve public, educational, and governmental programming and to support education technology initiatives through the enactment of Public Act 07-253, An Act Concerning Competitive Video Services. This account is funded by a quarterly tax on the gross earnings of video service providers, while the Authority is responsible for determining the allocation of accumulated funds into the account and administering grants to eligible entities.

Each year, PURA opens a proceeding where it accepts applications for funding. The Authority opened Docket No. 22-10-02, Allocation of Public Educational and Governmental Programming and Education Technology Investment Account Pursuant to Conn. Gen. Stat. Sec. 16-331cc, to distribute $7,741,331 in available funding. This amount represents an unusually significant increase over prior annual funding, which generally ranges from $2 - $3 million. Given the magnitude of deviation, the Authority opted to distribute $7,200,000 in grants and to reserve the remainder for potential accounting or funding variances.

Fifty percent (50%) of this amount, or $3,600,000, is allocated to local community television councils, the state-wide video advisory council, public, educational, and governmental programmers and public, educational, and governmental studio operators; the other 50% is allocated to boards of education or other entities offering education technology initiatives. In the event that the total amount requested by eligible applications for one category is less than 50%, and the other is greater, PURA may reallocate excess funds to the other category.

Additional PEGPETIA Resources

- 2023 PEGPETIA Final Decision

The Authority received a total of 92 applications. The Authority delegated the review of the applications to EOE and directed that office to file a motion with a draft proposed decision. EOE filed the motion on May 11, 2023, finding 89 of the 92 applicants to be eligible with 31 seeking a total of $3,055,535 for "public, educational and governmental" programming (PEG Grants) and 58 seeking a total of $6,647,582 for "education technology initiatives" (ETI Grants). Because the requests for PEG Grants were less than the $3,600,000 available for PEG Grants, the Authority used the residual for ETI Grants. Table 14 below summarizes the allocation of funding. A complete list of awardees and the amount of funding received is available in the decision.

Table 14: 2023 PEGPETIA Requests, Funding, and Awards

Grant Type	Total Request	Funding Available	Awarded
PEG	$3,055,535	$3,055,535	$3,055,535
ETI	$6,647,582	$4,144,465	$4,061,070
Total	**$9,703,117**	**$7,200,000**	**$7,116,605**

E911 Program

The Authority is statutorily responsible for determining the amount of the monthly fee to be assessed on each telephone service, commercial mobile radio service (CMRS or wireless), customer-owned coin operated telephone (COCOT) service, and Voice over Internet Protocol (VoIP) subscriber to fund the administration of the E-911 program. PURA bases this fee on:

1. The operating budget established by Department of Emergency Services and Public Protection (DESPP), taking into consideration any existing moneys available in the Enhanced 9-1-1 Telecommunications Fund;
2. A progressive wire line inclusion schedule (excluding CMRS) that considers "the final report of the task force to study enhanced 9-1-1 telecommunications services established by public act 95-318;" and
3. A maximum fee of $0.75 per month per access line.

The Authority calculates the E-911 monthly assessment fees for non-CMRS customer accounts with multiple lines using a progressive schedule. In other words, the more lines on an account, the less the account pays per line. Telecommunications companies report the total number of accounts based on number of lines to PURA, while DESPP reports the annual operating budget for the E-911 program. Examples of expenses comprising this budget include database services, network management and maintenance, translation services, regional telecommunications centers, and training. Using these values, PURA can calculate a per-line monthly fee necessary to fund the program.

In Docket No. 23-01-05, Annual Assessment Proceeding to Fund the Development and Administration of the Enhanced Emergency 911 Program – 2023, using the telecommunications companies' provided line numbers and the 2024 E-911 budget of $36,246,091 provided by DESPP, PURA calculated a single-line fee of $0.68 per month. Accounts with more than one line pay a lower rate per line on a progressive scale, as low as $0.14 per line. The $0.68 per line fee is a two cent decrease over the previous year.

Additional E911 Program Resources

- 2023 E911 Decision

Annual Community Access Support Review

Public access television programming provides benefits that are not necessarily easily quantified but are nonetheless important public services, such

as enhancing a sense of community and First Amendment rights. Connecticut law requires multichannel television companies (e.g., cable or satellite television), referred to as "multichannel video programming distributors" (MVPDs) to fund public community access programming (CAP) by assessing a baseline $5 per year charge on each of their customers. The Authority is responsible for determining whether this charge should be adjusted each year to reflect any increase or decrease in the consumer price index (CPI) in the previous year.[1]

Further, the Authority can adjust the community access subscriber fee amount for each MVPD within a range of 40% above or below the statutory benchmark, as adjusted for inflation, based on the following criteria:

- The level of public interest in community access operations in the franchise area;
- The level of community need for educational access programming;
- The level and breadth of participation in community access operations;
- The adequacy of existing facilities, equipment and training programs to meet the current and future needs of the franchise area; and
- Any other factors determined to be relevant by the Authority.

Through Docket No. 23-01-06, Annual Community Access Support Review, PURA conducted this analysis of the subscriber fee amount for each MVPD that took effect on July 1, 2023. Using data from the Bureau of Labor Statistics, PURA found that the 2022 rate of inflation as measured by the CPI for the Northeast Urban Region is 6.11%. To determine the +/-40% range within which the per subscriber amount can be set, the Authority adjusts the original statutory $5 per subscriber amount for inflation. In the Decision in Docket No. 21-07-26, The Public Utilities Regulatory Authority Annual Community Access Support Review (2022 Decision), the Authority found that the statutory amount as adjusted for inflation was $8.95. To this amount, an additional $1.25 was added by the 2022 Decision making the total $10.20.[2]

Applying 6.11% for 2022 CPI inflation to the prior year statutory amount of $10.20 equates to a subscriber fee of $10.82 for 2023. Forty percent of $10.82 is $4.33. Consequently, the community access support per subscriber for each MVPD must be between $6.49 ($10.82 – $4.33) and $15.15 ($10.82 + $4.33). The Final Decision in Docket No. 23-01-06 calculates the 2023 subscriber fee for each MVPD, applying an increase of 6.11% for inflation. The subscriber fees for each MVPD are within the statutory range identified above.

PURA Study of Community Access Operations

In 2022, PURA initiated a study at the legislature's direction in Docket No. 22-06-26, PURA Study of the Operations of Certified Third-Party Nonprofit Community Access Programming Providers, (CAP Study) to examine community access operations and current funding structures and to provide analysis and recommendations related to the state-wide consolidation of community access operations. The Authority considered,

among other things, the degree of financial support provided by the communities served by the community access organizations, the appropriateness of community access organization personnel salaries, and the degree of support provided to the community access organizations through moneys made available pursuant to Conn. Gen. Stat. § 16-331cc.

On December 15, 2023, PURA submitted its final report to the Energy & Technology Committee of the Connecticut General Assembly. Key findings include that declining cable subscribership numbers are impacting funding for non-profit CAPs, but also that existing MVPD subscriber viewership of PEG programming provided by CAPs is significantly lower relative to for-profit broadcasters such as NBC, CBS, ABC, and Fox. Therefore, if CAPs are to continue to exist in their current form, the funding mechanism will need to be revised.

As a result of these findings, the CAPs Study outlines various potential solutions to reduce the operating costs of CAPs including the consolidation of CAPs, replacing CAPs with internet-based sharing platforms, and the elimination of cable-run CAPs in favor of non-profit CAPs. The CAP study also considered alternative funding sources such as applying the subscriber fee to both streaming internet television services and cable subscriptions. These options all require statutory changes and will require the careful evaluation and consideration by the General Assembly.

Additional Community Access Provider Review Resources

- 2023 Community Access Final Decision
- 2023 Study of Community Access Operations

[1] Conn. Gen. Stat § 16-331a(k).

[2] The 2022 Decision allowed MVPDs to opt out of this additional fee.

2023 TELECOMM. & UTILITY POLE SECTOR DECISIONS

Docket Number	Title	Decision Date
22-11-02	Application of Cellco Partnership d/b/a Verizon Wireless for Approval of a Construction Plan to Install Wireless Facilities Within Certain Public Rights-of-Way – MERRITT PKWY	1/11/2023
19-02-28	Application of Crown Castle Fiber, LLC for Approval to Install Facilities Under and Over Certain Public Rights-of-Way	1/25/2023 3/29/2023 4/19/2023 5/17/2023 6/07/2023 8/09/2023 9/13/2023 10/25/2023
21-12-21	PURA Implementation of Process and Procedures for Conduit Excavations for Telecommunications Service Providers and Broadband Internet Access Service Providers	2/8/2023
18-06-13	Application of New Cingular Wireless Pcs, LLC For Approval of a Construction Plan to Install Wireless Facilities Within The Public Rights-Of-Way	3/08/2023 4/26/2023 7/12/2023 8/02/2023 9/06/2023
23-01-09	Application of New Cingular Wireless PCS, LLC for Approval of a Construction Plan to Install Facilities Under and Over Certain Public Rights-of-Way - Waterbury 325	3/22/2023
22-10-20	Application of Cellco Partnership d/b/a Verizon Wireless for Approval of a Construction Plan to Install Wireless Facilities Within Certain Public Rights-of-Way – SHELTON SC 14 CT	4/5/2023

Docket Number	Title	Decision Date
23-02-10	Application of TIME CLOCK SOLUTIONS, LLC for Certificate of Public Convenience and Necessity to Provide Resold Local Exchange Interexchange Telecommunications Services	4/5/2023
22-12-03	Application of Cellco Partnership d/b/a Verizon Wireless for Approval of a Construction Plan to Install Wireless Facilities Within Certain Public Rights-of-Way – BERLIN SC 4 CT	4/19/2023
23-02-04	Application of Cellco Partnership d/b/a Verizon Wireless for Approval of a Construction Plan to Install Wireless Facilities Within Certain Public Rights-of-Way – WILTON SC13 CT	4/19/2023
23-02-13	Application of Cellco Partnership d/b/a Verizon Wireless for Approval of a Construction Plan to Install Wireless Facilities Within Certain Public Rights-of-Way – NEW CANAAN SC27 CT	4/19/2023
23-02-14	Application of Cellco Partnership d/b/a Verizon Wireless for Approval of a Construction Plan to Install Wireless Facilities Within Certain Public Rights-of-Way – GLASTONBURY SC12 CT	4/19/2023
23-02-16	Application of Cellco Partnership d/b/a Verizon Wireless for Approval of a Construction Plan to Install Wireless Facilities Within Certain Public Rights-of-Way – WETHERSFIELD SC6 CT	4/19/2023
23-03-04	Application of Cellco Partnership D/B/A Verizon Wireless for Approval of a Construction Plan To Install Wireless Facilities Within Certain Public Rights-Of-Way – Cromwell SC10 CT	4/19/2023
22-10-02	Annual Allocation of Public Educational and Governmental Programming and Education Technology Investment Account Pursuant to Conn. Gen. Stat. § 16-331cc	5/31/2023
23-01-05	Annual Assessment to Fund the Development and Administration of Enhanced Emergency 911 Program	5/31/2023

Docket Number	Title	Decision Date
23-02-06	Application of Cellco Partnership d/b/a Verizon Wireless for Approval of a Construction Plan to Install Wireless Facilities Within Certain Public Rights-of-Way – NEW CANAAN SC23 CT	5/31/2023
23-05-74	Application of Cellco Partnership D/B/A Verizon Wireless For Approval of a Construction Plan To Install Wireless Facilities Within Certain Public Rights-Of-Way – Greenwich CT Sc36	5/31/2023
23-06-54	Application of Cellco Partnership D/B/A Verizon Wireless For Approval of a Construction Plan To Install Wireless Facilities Within Certain Public Rights-Of-Way – Enfield Sc3 CT	5/31/2023
23-04-23	Application Of Cellco Partnership D/B/A Verizon Wireless For Approval Of A Construction Plan To Install Wireless Facilities Within Certain Public Rights-Of-Way – Darien Sc21 CT	6/7/2023
23-05-75	Application Of Cellco Partnership D/B/A Verizon Wireless For Approval Of A Construction Plan To Install Wireless Facilities Within Certain Public Rights-Of-Way – Greenwich Ct Sc33	10/25/2023
22-06-26	PURA Study Of The Operations Of Certified Third-Party Nonprofit Community Access Programming Providers	12/15/2023

A comprehensive list of PURA 2023 decisions is available in Appendix 2, attached to this Report.

SECTION 8:
THE OFFICE OF EDUCATION, OUTREACH, & ENFORCEMENT (EOE)

Due to PURA's quasi-judicial structure, there are limitations on the communications PURA staff may have with stakeholders and members of the public, particularly during active proceedings. These rules, referred to as a prohibition on "ex parte communications," prevent any individual participant from gaining an unfair advantage in terms of additional knowledge over other participants in a docket. However, many of the dockets before PURA, and even the docket process itself, are complex and sometimes challenging to navigate, particularly for stakeholders that do not often engage in Authority proceedings. Additionally, there are certain topics before the Authority that would benefit from less formal engagement structures such as working groups or are more routine in nature and could be processed more efficiently.

Recognizing these needs, 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" rules that apply to PURA's decisional staff do not apply to staff assigned to EOE, meaning ratepayers and other parties may pose questions and concerns to EOE staff. Importantly, however, EOE staff are not able to discuss active substantive matters with PURA's decisional staff and commissioners, nor are EOE staff permitted to speak on behalf of the Authority.

EOE Organization

EOE is comprised of three units including the Licensing & Certification Unit, the Mediation & Enforcement Unit, and the Education & Outreach Unit.

Licensing and Certification Unit

The Licensing & Certification Unit is responsible for analyzing and processing routine licensing and certification matters filed with PURA under the Authority's jurisdiction and oversees reporting and other administrative matters related to the State and utility stakeholders.

In 2023, staff reviewed nearly 18,000 licenses and certifications statewide, including but not limited to electric and water submetering applications, renewable generator certification (Class I), and electric supplier licensing applications and natural gas seller registrations:

- 17,614 Class I Renewable Energy Certifications
- 6 Electric Submetering Applications
- 10 Water Submetering Applications
- 21 Natural Gas Seller Registrations
- 29 Wireless Facilities Within the Public Rights-of-Way (1 closed without approval) Applications
- 30 Installation of Wireline Facilities Under and Over the Public Rights-of-Way Applications
- 2 Telcom Certificates of Public Convenience and Necessity
- 5 Electric Supplier License Application
- 119 Electric Aggregator Certifications

Additionally, this unit supports oversight and engagement with the EnergizeCT Rate board. The EnergizeCT Rate Board is Connecticut's official site for alternative electric supplier rates. EOE staff maintain the public facing Rate Board as well as the back-end functionality known as Rate Manager, and works with licensed electric suppliers to create public offers.

In 2023, EOE staff also supported thousands of customers in how to access the Rate Board, explain utility standard service pricing, view alternate generation offers, and understand the enrollment process specific to their needs.

Mediation & Enforcement

The Mediation & Enforcement Unit 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. Consistent with the objectives of the Authority and EOE, this unit dedicated significant focus to vulnerable and low-income customers (hardship) in 2023.

Over the past year, the Mediation and Enforcement unit monitored the activities of electric suppliers in Connecticut and initiated investigations regarding the customer service practices of suppliers to determine whether they are in compliance with state statutes, state regulations, and PURA's orders.

As part of this work, EOE settled two supplier enforcement actions, amounting to over $2 million in settlement and customer restitution. The Authority directed the entirety of these settlement amounts to be used as a donation to reduce EDC hardship customer arrearages. Table 15 summarizes EOE's settlements through 2023.

Table 15: 2022 EOE-Facilitated Settlements

Entity	Settlement/ Restitution	Docket No.	Docket Title
Xoom Energy Connecticut LLC	$1,624,725	11-06-05	Application of Xoom Energy CT LLC for an Electric Supplier License
Town Square Energy, LLC	$450,000	10-03-11RE01	Application of Community Power & Utility, LLC for an Electric Supplier License – Transfer of License to Town Square Energy, LLC

As part of continued efforts to monitor supplier actions, in 2023, EOE:

- Streamlined and provided inputs to the Annual Renewable Portfolio Standards (RPS) program, among other efforts, through Docket No. 23-06-01, Annual Review of Connecticut's Electric Suppliers' and Electric Distribution Companies' Compliance with Connecticut's Renewable Energy Portfolio Standards in the Year 2022.
- Drafted the report to the legislature on suppliers and supplier licensing applications for 2023 in Docket No. 22-11-01, Annual Report to the Legislature – The State of Electric Competition, and began work on the next report in Docket No. 23-11-01, 2023 PURA Report to the General Assembly Regarding the State of Electric Competition. This report summarizes the state of electric competition by analyzing a variety of indicators, including the average generation service charge and the Standard Service generation rates for residential and business customers, to show the market's impact on customers who participate in the third party electric supplier market.

EOE also participated in several dockets in 2023 focused on helping vulnerable and low-income customers reduce outstanding arrearages. These efforts include but are not limited to contributions to Docket No. 17-12-03RE11, PURA Investigation into Distribution System Planning of Electric Distribution Companies – New Rate Designs and Rates Review, Docket No. 23-05-01, Annual Review of Affordability Programs and Offerings, and 18-06-02RE01, Two Year Review Required Pursuant to Conn. Gen. Stat § 16-245 O(M). This work included research, analysis, and investigation for the implementation of a Low-Income Discount Rate (LIDR) in Connecticut, and related oversight of practices by suppliers that have historically had disparate impact on low-income customers.

Efforts to support customer education and experience included support for the implementation of utility bill redesign via Docket No. 14-07-19RE06, PURA Investigation into Redesign of the Residential Electrical Billing Format – Five Year Review, and Docket No. 14-07-19RE07, PURA Investigation into Redesign of the Residential Electrical Billing Format – Cost Allocation Among Suppliers for System Redesign and Associated Costs. In these dockets, EOE supported efforts to provide greater transparency and accessibility of billing information for customers.

EOE facilitated the work product provided in Docket No, 22-10-12, PURA Proceeding to Investigate Alternative Risk Transfer Programs. As part of the docket, EOE worked with the Connecticut Insurance Department (CID) and Connecticut's electric distribution companies (EDCs) to explore, analyze, and advance a risk transfer advisory study, captive insurance feasibility study, and the analysis of government backstop mechanism. As part of the State of Connecticut's ongoing risk management strategy, PURA directed the investigation into the value/cost efficiencies and viability of using a captive insurance company (captive) to provide alternative risk financing for certain Transmission and Distribution (T&D) exposures and vulnerabilities faced by EDCs under its regulatory supervision. This docket originated with Order No. 11 of the Final Decision dated August 31, 2022, in Docket No. 17-1203RE08, PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Resilience and Reliability Standards and Programs, pursuant to a recommendation by several state agencies made in Docket No. 20-08-03, Investigation into Electric Distribution Companies' Preparation for and Response to Tropical Storm Isaias. It was also related to PURA's final decision in Docket No. 20-08-03 regarding the performance of Eversource and UI in preparing for, and responding to, Tropical Storm Isaias, in which the EDCs were directed to explore the potential for obtaining storm-related insurance policies aimed at reducing the post-disaster financial impact to customers.

EOE also supported the Aquarion and United Illuminating rate cases (Docket No.22-07-01 and Docket No. 22-08-08, respectively). EOE also supported efforts in the Connecticut Water Company (Docket No. 23-08-01) and SCG and CNG (combined Docket No. 23-11-02) rate cases with a focus on customer service, engagement, and return on equity.

Education & Outreach

The Education & Outreach Unit (also referred to as Consumer Affairs) receives complaints and inquiries from Connecticut utility ratepayers and works to provide resolution and relevant educational resources to assist the complainant. This unit also produces, distributes, and presents educational materials about Connecticut's utilities and their regulation through public forums.

Since 1995, PURA has maintained records of customer complaints and inquiries. Customers have numerous ways to contact the Authority's call center and submit a

complaint directly or indirectly to EOE:

- Telephone, 8:30-4:30PM, Monday – Friday (except for state holidays)
  - Toll Free: 1-800-382-4586
- Email: PURA.Information@ct.gov
- Web Portal

In addition to these direct-to-agency methods, PURA also receives complaints that have been referred to it via the state legislature, the governor's office, U.S. Representative and Senator offices, the OCC, the AG, municipal officials, and not-for-profit organizations and advocates.

The Education and Outreach team also manages the "Utility Scorecard" report. The Scorecard is a collection of 10 specific complaint types filed by Connecticut utility customers; data can also be viewed by time frames, location, intake specialist, status, reasons for call, and more.

PURA Utility Complaint Scorecard Data Types

- Billing
- General Complaint/Quality of Interaction
- Installation
- Meter Test
- Outage
- Payment Arrangement
- Quality of Service
- Deposit
- Slamming
- Termination

In 2023, the Education & Outreach Unit responded to nearly 17,000 complaints and inquiries. As a result of complaint resolution, EOE was able to secure the return of over $164,000 to customers, demonstrated by Tables 15 and 16 below:

Table 15: 2023 Customer Complaints and Inquiries by Industry

Industry Type	Quantity
Community Antenna Television	4,940
Electric	3,457
Natural Gas	1,101
General Info	4,307
Suppliers/Electric Aggregators	1,880
Telephone	859
Telephone Other	132
Video Service Provider	73
Water	220
TOTAL	**16,969**

Table 16: 2023 Customer Complaint Resolution Amount by Industry

Industry Type	Amount
Community Antenna Television	$18,860.67
Cellphone	$6,793.60
Electric	$20,648.97
Natural Gas	$42,055.11
Electric Supplier	$47,531.05
Telephone/Local	$10,903.35
Telephone/Other/CLEC	$2,852.48
Video Service Provider	$2,208.43
Water	$12,214.60
Total	**$164,068.26**

Working Groups

Representatives from EOE support PURA's roles in dozens of state-mandated working groups and subgroups, including but not limited to the Water Planning Advisory Group (WPAG), Interagency Work Group (IWG), the WPCAG Watershed Lands Work Group, Interagency Drought Workgroup, Water Utility Coordinating Committees, State Water Plan Outreach and Education Workgroup, as well as the Low Income Energy Advisory Board (LIEAB), which supports the planning, development, implementation, and coordination of energy-assistance-related programs and policies and low-income weatherization assistance programs and policies.

EOE further participated in a newly-formed working group mandated in Docket No. 22-03-16RE02, Petition of the Office of the Consumer Council for and Investigation into the United Illuminating Company and Eversource Energy Regarding Collections Practices During the COVID-19 Moratorium – Wage Garnishment Working Group and related Matters. The working group is looking to review the practice and impact of wage

garnishment on customers for the purpose of reducing uncollectible and outstanding debts.

EOE continues to lead the Vegetation Management Standing Working Group created by the Authority in Docket No. 17-12-03RE08, PURA investigation into Distribution System Planning of the Electric Distribution System Planning of the Electric Companies - Resilience and Reliability Standards and Program. This Working Group works to establish programmatic improvements and emerging issues regarding utility vegetation management for the maintenance of distribution lines. The Working Group evaluates current practices and makes recommendations as needed for legislative, regulatory, or other improvements, and produces annual reports for PURA.

EOE also serves as the facilitator of several Distributed Generation Working Groups. The working group members consist of solar developers, electric distribution companies, and various state agencies. These groups have implemented numerous changes over the past year to improve the process for the interconnection of distributed generation resources, such as solar photovoltaics (PV), to the electric distribution system, and have improved hosting capacity maps, updated interconnection guidelines, and created a public interconnection queue, among other accomplishments.

EOE also serves as the facilitator for the Pole Attachment Working Group with members consisting of the SPAs, ILECS, 3rd party attachers, and other state and municipal stakeholders. The working group was tasked with implementing the Single Visit Transfer Pilot program. Currently, the Working Group is discussing open issues with the current phase of the program.

SECTION 9: LEGISLATIVE UPDATES

Updates on 2023 Legislation

In 2023, multiple pieces of legislation were enacted directing PURA to participate in or complete a number of tasks by certain dates. Table 11 below summarizes each of these bill's requirement(s) of PURA, and the progress made since their passage.

Table 15: 2023 Legislation Relevant to PURA

Act	Title	Tasks Assigned to PURA	Effective Date	Progress
Public Act 23-199	An Act Concerning Notification of Utility Service Terminations at Certain Rental Properties	PURA shall prescribe a form and implementation date for the notification of utility service terminations following an uncontested proceeding with electric and gas companies, as well as other interested parties.	1/1/2024	PURA opened Docket No. 23-07-02, which was voted on favorably in December, outlining the processes and procedures related to the Public Act.
Public Act 23-102	An Act Strengthening Protections for Connecticut's Consumers of Energy	Requires PURA to investigate and create an approval process for stakeholder compensation for traditionally underrepresented groups, including small businesses, environmental justice communities, or those receiving protection as hardship cases.	10/1/2023	PURA opened Docket No. 23-09-34. The Final Decision was released in January 2024 and provides the documents and instructions for applicants seeking compensation through the program.
Public Act 23-156	An Act Implementing Recommendations of the Hydrogen Task Force	Tasked PURA and DEEP with implementing the regulations of the Hydrogen Task Force.	7/1/2023	PURA provided informational testimony on this bill, HB 6851.

PURA Annual Reports to the General Assembly

Over the years, the State legislature has tasked PURA with providing annual reports to the General Assembly on various topics. Links to the final reports for 2023 are available in Table 12 below.

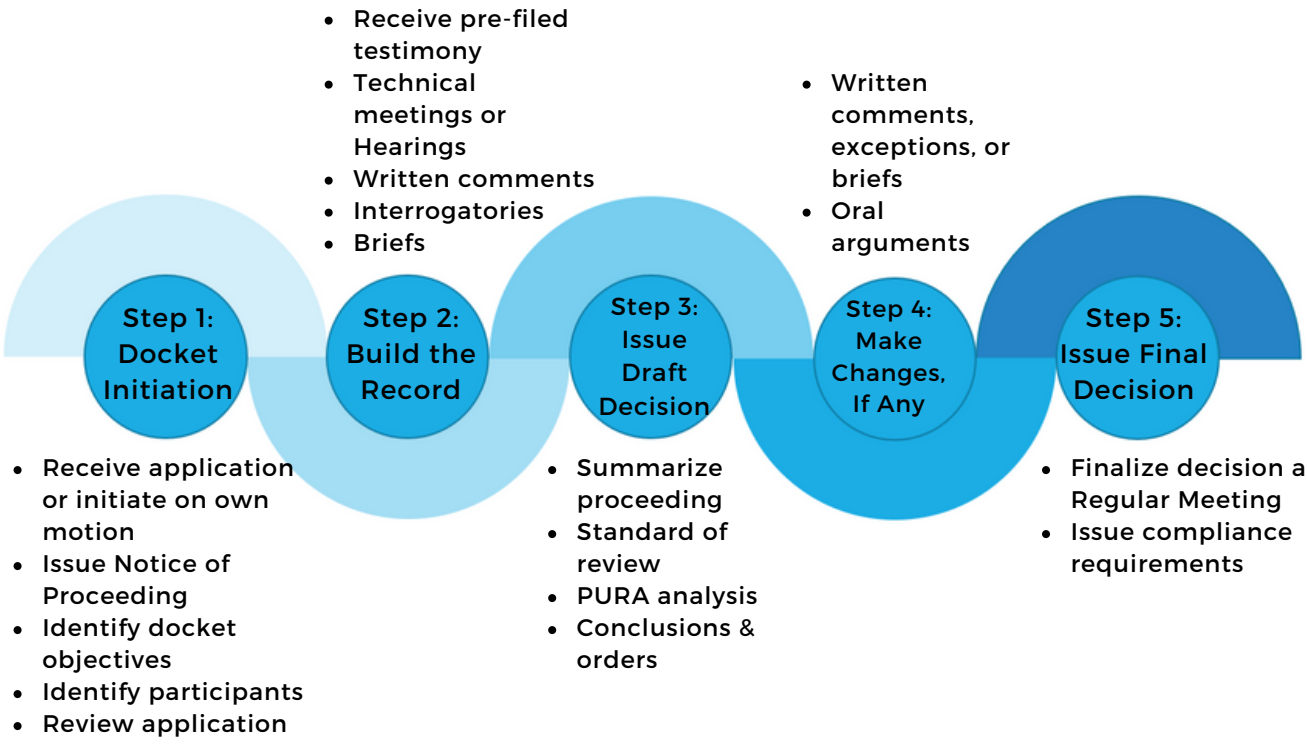
Table 16: 2023 PURA Reports to the State Legislature

Report Title	Codifying Act	Docket Number	Submission Date	Due Date
2023 PURA Report to the General Assembly Regarding the Electric Efficiency Partners Program	Public Act 07-242	23-02-02	2/8/2023	2/15/2023
2022 PURA Report to the General Assembly Regarding the State of Electric Competition	Public Act 17-64	22-11-01	3/29/2023	4/1/2023
2023 PURA Report to the General Assembly Concerning Lost and Unaccounted for Gas	Public Act 14-152	23-03-02	6/21/2023	7/1/2023
Annual Electric Distribution Company Reliability and Resilience Framework Review	Public Act 12-148	23-08-09	12/13/2023	9/1/2023
The Public Utilities Regulatory Authority's Study of the Operations of Certified Third-Party Nonprofit Community Access Programming Providers	Special Act 22-23	22-06-26	12/15/2023	12/15/2023
PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Building Blocks of Resource Adequacy and Clean Electric Supply: Legislative Report	Public Act 23-102	17-12-03RE10	2/1/2024	1/1/2024

APPENDIX 1: STANDARD DOCKET PROCEDURE GUIDE

The Public Utilities Regulatory Authority (PURA or the Authority) is a quasi-judicial state agency, which means that, similar to a court, all matters before PURA must go through a standardized procedural process, also known as a "docket". Though each docket is unique, nearly all follow a five-step framework outlined by Figure A1. A more detailed description of each step is provided below.

Figure A1: The Standard PURA Docket Process



Step 1: Docket Initiation

Dockets are initiated for a variety of matters in response to external stakeholder petitions or applications. The Authority may also initiate dockets of its own accord, either on a voluntary basis or as required by law. External stakeholders file their application through PURA's online docket system. Upon receipt of an application, PURA's Docket Control staff will assign the application a docket number and title.

The Authority will then issue, through the docket, a **Notice of Proceeding (NOP)**, which is a legal document that reflects the type (i.e., contested or uncontested) and scope of the proceeding. The NOP is also an important communication device, used by the Authority to set appropriate stakeholder expectations for the proceeding. This includes citing to relevant statutes, providing an initial list of docket participants, and outlining potential areas of exploration or investigation.

At the same time as the NOP is distributed, or shortly thereafter, PURA will also publish an **external docket schedule** whenever possible, particularly if the docket is governed by a statutory timeline. The external schedule is used to communicate the planned procedural steps in a docket, to facilitate the PURA discovery and decision drafting process, and to make sure that external procedural steps do not conflict with other scheduled events.

At this point, any docket participant in an uncontested case or a party or intervenor in a contested case may submit **docket correspondence**. Correspondence provides a stakeholder's perspective outside of the procedural steps identified in the external schedule. Correspondence need not be as structured as the other forms of comments or testimony discussed. The Authority gives docket correspondence its due weight based on the nature of the comments provided, and the evidence presented. The Authority may use correspondence to help guide the discovery process in Step 2: Build the Record.

Step 2: Build the Record

In order for the Authority to issue a decision, it must have a robust record of evidence that supports it. During Step 2, PURA establishes this record evidence through discovery. Discovery entails a variety of tools and events that allow the Authority to investigate the components of the issue(s) in the proceeding. These include:

- **Pre-Filed Testimony**: Pre-filed testimony provides participants, parties and/or intervenors an opportunity to introduce expert witnesses and to present their main position at the outset of the proceeding.
- **Written Comments**: Written comments allow participants, parties, and/or intervenors, and other stakeholders, the opportunity to share their support, concerns, and thoughts regarding the docket. A Request for Written Comments will be separately noticed by PURA and will specify the topics for comment.
- **Interrogatories**: Interrogatories are questions the Authority issues to specific participants, parties, and/or intervenors. These questions are based on the Authority's review of written comments, testimony, or other filed evidence. Interrogatories may also be propounded by other participants, parties, and/or intervenors, as governed by

the Notice of Proceeding and any associated rulings on a request for status as a participant, party or intervenor.

- **Hearings & Late Filed Exhibits:** Hearings allow the Authority to question the participants, parties, and intervenors, as well as their expert witnesses. Exhibits are entered into the evidentiary record during the Hearing for use in the Decision. Answers submitted at a later date to questions asked during cross examination are considered Late Filed Exhibits. The Authority may seek additional explanation or clarity on Late Filed Exhibits during a Late Filed Exhibit Hearing.
- **Technical Meetings:** Technical Meetings are informational meetings that allow the Authority to question the participants while also providing the opportunity for the participants to discuss issues with the Authority. Technical Meetings may be held in addition to, or in lieu of, a formal hearing, depending on the type of docket under consideration.
- **Briefs**: Following the conclusion of the final hearing and/or close of the formal record, the Authority may issue briefing prompts for parties and participants to submit final arguments into the record. The Authority may also issue briefs at other times in the proceeding prior to the close of the evidentiary record to better ascertain the legal or other positions of participants, parties, and/or intervenors. Briefs are not an opportunity to enter new evidence into the record.

The Authority may employ one, many, or all of these tools, and may use them more than once throughout a proceeding. Contested proceedings are guided by the Uniform Administrative Procedure Act and Title 16 of the Regulations of Connecticut State Agencies, and often involve a hearing. Any of these tools that are relied on by the Authority will be listed in the external docket schedule for a proceeding.

Step 3: Issue the Proposed Final Decision

Decisions are authoritative rulings or determinations made by the Authority through its adjudicatory powers over certain matters, as dictated and delegated by state statute. A Decision is written based on evidence entered into the evidentiary record. In most dockets, the Authority may elect to issue a **Proposed Final Decision**. Virtually all of PURA's decisions follow a standardized outline and inventory of information that includes:

- A summary of the decision;
- Background and conduct of the proceeding;
- A list of the parties, intervenors, and/or participants;

A list of relevant statutes, regulations, case law, or PURA precedent that governs the application and PURA's review;

- A summary of the standard of review, including specific findings or conclusions made by PURA;
- A description of the burden of proof, or other statutory limits;
- The Authority's analysis of the proceeding, organized by each subtopic, which may include a synopsis of stakeholder comments in general or by subtopic;
- Conclusions;
- Orders that direct subsequent action related to the topic from specific parties; and
- Any appendices.

Step 4: Revise the Proposed Final Decision (Optional)

Proposed Final Decisions are published for stakeholders to review, along with a Notice for Written Exceptions. Exceptions are provided by stakeholders that disagree with or take issue with specific components of a Proposed Final Decision, and must be structured to identify errors of fact or errors of law; importantly, written exceptions cannot introduce or rely on evidence not already in the official record. Parties, intervenors, and/or participants to the docket are provided the opportunity to file exceptions to portions of the Proposed Final Decision. Additionally, the Notice for Written Exceptions may, but is not required to, offer parties and participants the opportunity to request that the Authority hold **Oral Arguments** so that they may present their argument directly before the Authority. The Proposed Final Decision may be revised as a result of Written Exceptions and/or Oral Arguments.

Step 5: Issue the Final Decision

Following any changes made in response to Written Exceptions and Oral Arguments, PURA staff will present a Final Decision before a panel of the three Commissioners at a **Regular or Special Meeting.** The PURA Commissioners hold a Regular Meeting most Wednesdays at 10:00a.m. to vote on the adoption of Final Decisions. A Decision is not considered final until it is placed on a Regular or Special Meeting agenda and receives a vote of adoption by a majority of the Commissioners. All Regular and Special Meeting agendas are published on the Secretary of the State's Connecticut State Agency Public Meeting Calendar on the Thursday prior to the Regular Meeting, as well as on PURA's Calendar of Events.