PURA 2022 ANNUAL REPORT EXECUTIVE SUMMARY



OVERVIEW

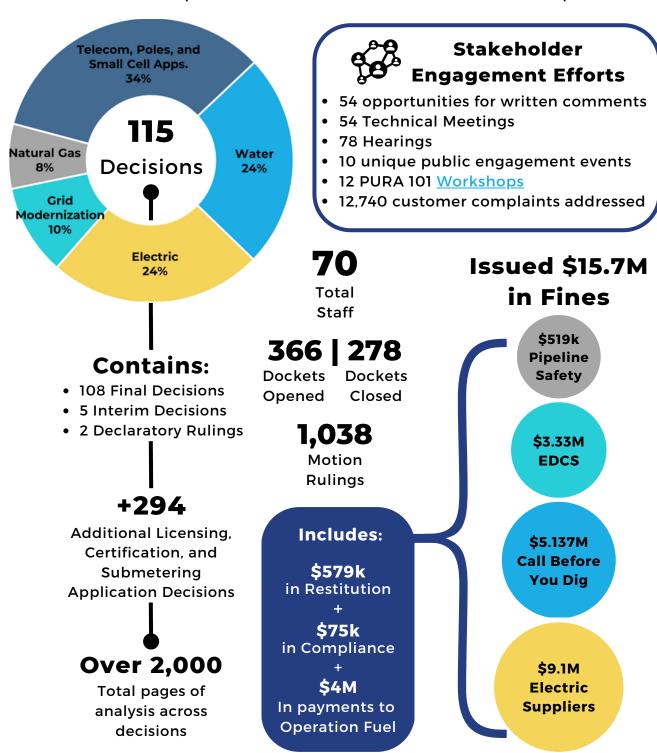
Over the last twelve years, the responsibilities of the Connecticut Public Utilities Regulatory Authority (Authority or PURA) have transformed and expanded. In addition to its statutory charge to ensure that Connecticut's investor-owned utilities, including the state's electric, natural gas, water, and telecommunications companies, provide safe, clean, reliable, and affordable service, PURA also now oversees a half dozen or more programs, policies, and tariff designs that advance the state's energy, economic, and climate goals. Given the growing importance of improving utility service and addressing the State's climate goals, accessible and transparent communications and resources have increasingly become a necessity.

As a result, PURA has developed this Annual Report as a tool for increasing 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. The Authority's decisions, therefore, are made more robust with increased awareness and participation from diverse stakeholders.

The Annual Report provides a summary of the work completed by the Authority in 2022. In particular, the Annual Report 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. Key information and developments from each section of this 2022 PURA Annual Report are summarized below.

2022 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 2022, included to help stakeholders better understand PURA's roles & responsibilities.



Rate Cases

One of the Authority's core functions is regulating the distribution rates of Connecticut's public electric, natural gas, and water utility companies. The rate cases through which distribution rates are reviews is the primary tool to ensure that these rates are just, necessary, and reasonable. They are also the best tool regulators have to ensure utility costs are contained from a long-term perspective and that the utilities are being managed with efficiency and care. The Authority currently has two active rate cases before it; one for Aquarion Water Company, and another for The United Illuminating Company.

Major Dockets

- <u>Docket No. 22-07-01</u> Aquarion Water Company
 - o 207,000 customers in 56 towns affected
 - 4 opportunities for public comment offered by PURA
 - o Decision deadline is March 17, 2023
- <u>Docket No. 22-08-08</u> United Illuminating Company
 - o 341,000 customers in 17 towns affected
 - 4 opportunities for public comment offered by PURA
 - o Decision deadline is August 25, 2023

Learn More about Rate Cases

Grid Modernization

Since October 2019, PURA has been aggressively pursuing the modernization of Connecticut's electric grid, initiating eleven investigations into different component of an equitable modern grid. To date, PURA has issued decisions in nine of the eleven dockets, five of which occurred in 2022. These decisions have led to the establishment of multiple innovative programs, rate designs and policies that will enhance the resilience, reliability, affordability, and sustainability of Connecticut's grid.

Additionally, PURA conducts annual reviews of all clean energy deployment programs offered by the state, including the Residential Renewable Energy Solutions (RRES), Non-Residential Renewable Energy Solutions (NRES), the Shared Clean Energy Facilities (SCEF), and EV Charging programs to ensure a sustained, cost-effective, affordable, and orderly development of Connecticut's clean energy industry.

Major Decisions

	Major Decisions
17-12-03 RE05	Established the Innovative Energy Solutions Program.
17-12-03 RE07	Designed a framework to compare non-wires solutions against conventional grid upgrades for optimized performance.
17-12-03 REO8	Created a strategic resilience and reliability framework that will reduce costs and excessive tree trimming.
<u>17-12-03</u> <u>RE09</u>	Centralized and consolidated inventory of all PURA clean energy annual program reviews
17-12-03 RE11	Approved a two-tiered low-income discount rate for qualifying residential electric customers.

Electric Sector

The Electric Sector is the largest industry regulated by PURA with over \$2.75B annually in distribution revenue under PURA's jurisdiction. Though PURA only regulates two electric distribution companies, Eversource and United Illuminating, together they serve more than 1.5 million customers, representing over 90% of the state's electric ratepayers. Given the scale of this sector, transparent and efficient regulatory mechanisms that result in just and reasonable rates are essential. In 2022, PURA made substantial progress in both short-term and long-term regulatory improvements including the standardization of annual revenue reconciliation procedures and development of a Performance Based Ratemaking framework. These changes will continue to support long-term, sustainable energy affordability efforts for Connecticut.

Major Decisions

<u>22-01-03</u>	Eversource's 2022 rate
	adjustments for expenses
	incurred in 2021.

22-01-04 United Illuminating's 2022 rate adjustments for expenses incurred in 2021.

PURA's consolidation and streamlining of RAM filings to improve reconciliation analysis.

21-05-15
(Ongoing)

PURA's investigation into the development of a performance-based regulator framework that cost-effectively aligns EDC operations with public interests.

Natural Gas Sector

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

Additionally, beginning in 2013, PURA has also been responsible for oversight of the ten-year Natural Gas Expansion Plan (SEP), ordered by Public Act 13-298. However, in April 2022, PURA issued a decision to wind down the SEP as a result of a significant change in market conditions that caused the program to no longer be in the best interest of ratepayers.

- 441 Pipeline Safety Inspection Person-Days
- 598 CBYD Inspections
- 72 Violations Found
- \$5.5 M Civil Penalties Issued

Major Decisions

21-08-24

Investigated deceptive marketing practices of Yankee Gas, and ordered the immediate winddown of the natural gas System Expansion Plan.

22-03-03 Review of any revenue deficiencies in administering the SEP prior to the wind-down decision

Water Sector

Connecticut's water resources are overseen and protected through interagency coordination between PURA, DEEP, and DPH. The Authority's specific role is to ensure that water rate designs encourage conservation and responsible water use. In addition to rate design, ensuring that the state's aging drinking water infrastructure is modernized is essential to efficient water use. The regulatory tools PURA uses to accomplish this is the Water Infrastructure Conservation Adjustment (WICA) surcharge which enables water companies to accelerate necessary upgrades without needing to wait for a rate case. The Authority issued five WICA decisions in 2022. Additionally, the Authority continues to see a trend of smaller water systems being incorporated into larger, investor-owned utilities with the promise of system improvements by these larger companies.

Major Decisions

13-12-28 WI07	Jewett City Water Company WICA reconciliation approving a rate credit for ratepayers.
13-02-20 WI23	Aquarion Water Company WICA reconciliation approving a rate surcharge.
12-07-07 WI16	Hazardville Water Company WICA reconciliation approving a rate surcharge.
12-07-07 <u>WI17</u>	Hazardville Water Company WICA reconciliation approving a rate surcharge.
13-06-20 RE06	Denied Aquarion Water Company's request to reset its WICA settlement

Telecomm & Utility Poles

With rapid and ongoing advances in communications technology, PURA is responsible for promoting a competitive telecommunications market by regulating the public rights-of-way and utility pole attachments, which support a significant amount of the state's telecommunications infrastructure. In 2022, this included advancing policies to promote the deployment of both above and below-ground broadband deployment in support the State's goal of providing highspeed internet service across all Connecticut communities.

Additionally, PURA has placed significant focus on addressing the both the backlog of "double poles" and other unsafe poles throughout the state that result from inefficient maintenance and replacement procedures, and create safety hazards and aesthetic issues.

Major Decisions

Improves the efficiency of the attachment application process for parties interested in deploying broadband infrastructure on utility poles;

21-11-05 Establishes a process to replace structurally compromised poles within 10 days of the initial notice.

21-07-29
Addresses the backlog of double poles by establishing a pilot process that ensures they are efficiently removed.

Pending Decisions

Process to coordinate telecommunications-related trenching activities to ensure the efficient deployment of broadband technologies pursuant to Public Act 21-159

Office of Education, Enforcement & Outreach

Recognizing these needs, PURA established the Office of Education, Outreach & Enforcement (EOE) in July of 2020. The key objective of EOE is to provide ratepayers and non-traditional stakeholders that interact with PURA an improved customer service experience. The "ex parte" communication prohibition that 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 speak with PURA's decisional staff and commissioners regarding active Authority proceedings, nor are EOE staff permitted to speak on behalf of the Authority.

EOE is also 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.

Licensing & Certification Unit

- 7,623 Class I Renewable Energy Certifications
- 25 submetering applications
- 61 rights-of-way applications

Mediation & Enforcement Unit

- 12 electric supplier enforcement actions
- \$12M+ in settlements and restitution
- Ongoing support of two active rate cases

Education & Outreach Unit

- 12,700+ customer complaints and inquiries addressed
- \$100,000+ returned to customers following complaint resolution

Working Group Administration

- Vegetation Management Working Group
- Distributed Generation Working Group
- Represented PURA in dozens of statemandated working groups (e.g. Water Planning Advisory Group)

Additional PURA Resources

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