



PURA 2022 ANNUAL REPORT

February 2, 2023



Connecticut Public
Utilities Regulatory
Authority

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INTRODUCTION

PURPOSE OF THIS REPORT

Over the twelve 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 has 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,[1] PURA also now oversees a half dozen or more programs, policies, and tariff designs that advance the state's energy, economic, and climate goals. Both sets of responsibilities play a vital role in ensuring public health and safety and a robust economy in Connecticut.

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, not just for regular participants in PURA's processes, but for the legislature, policymakers, and members of the public alike. In recent years, PURA has been working hard to improve communication and engagement 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. In 2022, PURA expanded the number of public resources available to stakeholders through the release of its [Quarterly Newsletters](#), [video series](#), [live-streamed events](#), and now this report (Annual Report or Report).

In particular, the Annual Report provides a concise summary of the Authority's work completed in the previous year, while providing some 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 an additional section providing a specific overview of the Authority's "rate case" work.

The Annual Report also summarizes the reports submitted to the General Assembly in the previous year, as well as progress on specific PURA investigations required by recent legislation. The report also includes a distinct update on the work of EOE and on all appeals of prior PURA decisions. Last, 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.

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.

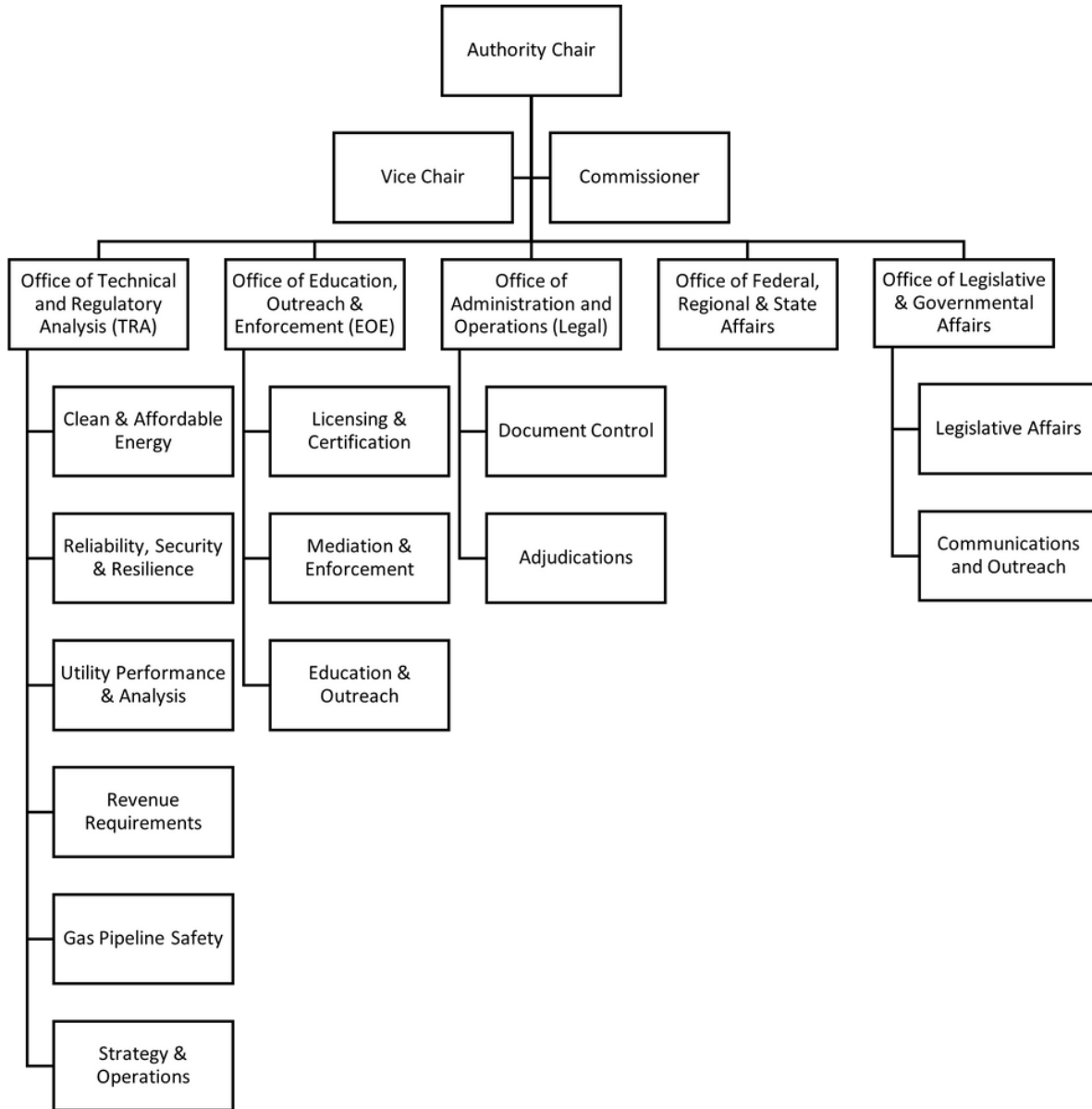
PURA'S ORGANIZATIONAL STRUCTURE

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.

Every June, the Commissioners hold a vote to elect a Chair and 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 of a technical 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”.^[2]

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 7, 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.[3]

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 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 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](#)

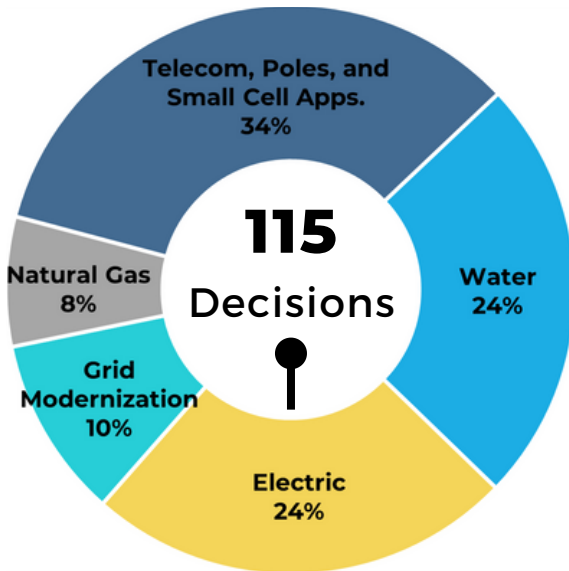
[1] PURA's predecessor, the Department of Public Utility Control, was given a similar statutory charge.

[2] 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).

[3] 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.

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.



115
Decisions



Stakeholder Engagement Efforts

- 54 opportunities for written comments
- 54 Technical Meetings
- 78 Hearings
- 10 unique public engagement events
- 12 PURA 101 [Workshops](#)
- 12,740 customer complaints addressed

- Contains:**
- 108 Final Decisions
 - 5 Interim Decisions
 - 2 Declaratory Rulings

+294

Additional Licensing, Certification, and Submetering Application Decisions

Over 2,000

Total pages of analysis across decisions

70

Total Staff

366 | 278

Dockets Opened | Dockets Closed

1,038

Motion Rulings

Includes:

\$579k in Restitution
+
\$75k in Compliance
+
\$4M In payments to Operation Fuel

Issued \$15.7M in Fines

\$519k
Pipeline Safety

\$3.33M
EDCS

\$5.137M
Call Before You Dig

\$9.1M
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. In the late 1990s, many states, including Connecticut,[1] decided to deregulate their electric markets because electric utilities' vertically integrated monopoly structures were not seen as conducive to achieving fair and affordable service for ratepayers. This meant that the electric utilities in deregulated states were required to sell any generation assets they owned and that rates would reflect the unbundled costs of energy transmission and distribution, and wholesale generation. The objective was to reduce costs and risk for ratepayers by participating in wholesale electricity generation markets and leveraging competition and consumer choice in retail electricity markets.[2] Therefore, PURA regulates the rates utilities charge to recover the costs of owning and maintaining distribution infrastructure only, while the cost of generation is instead now driven by the New England regional wholesale market.

Regulation of distribution rates is primarily conducted through rate case proceedings. Connecticut law requires PURA to conduct a rate case for public service companies at certain intervals and within a certain amount of time. As a result of the "Take Back Our Grid Act" (Public Act 20-05), for water rate cases, PURA has 200 days, and for electric and gas rate cases, PURA has 350 days.[3] During each rate case, PURA's objective is to determine whether the rates proposed by the utility are just, necessary, and reasonable. To do this, Authority staff with expertise in accounting, finance, utility regulation, engineering, economics, and policy scrutinize the prudence of the utility's 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 private 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 utilities 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 utility and other witnesses in hearings, issue interrogatories (or written questions) in advance of those hearings, and review public comment. See Appendix 1 for more information on docket procedures.

In addition to recovering their rate base, utilities are also afforded the opportunity to earn a specified return on prudent investments through rates, as dictated by centuries-old U.S. Supreme Court precedent. This return is set by considering whether the rates resulting from any approved rate of return are just and reasonable. Last, the utility is also allowed to recover, without an additional return, certain operations and maintenance costs, such as labor.

To determine the annual revenue for the utility (called the [revenue requirement](#)), that [rate of return](#) is multiplied by the rate base and then added to pass-through operations and maintenance expenses. The charges to be applied on customer bills in order to allow the utility to recover this annual revenue requirement are then calculated. These charges can take various forms, including fixed customer charges (\$/customer), demand charges (\$/kW measured in a particular period), and volumetric charges (\$/kWh). Any under- or over-collection of this annual revenue requirement is subject to reconciliation pursuant to the state's revenue decoupling law. In short, this reconciliation methodology ensures that the utility receives its annual revenue requirement, regardless of its annual energy sales. For information on how differences in expected and actual revenues are reconciled each year, see the discussion of the Rate Adjustment Mechanism in Section 3 below in this Report.

Ultimately, rate cases are some of the most important work that the Authority does because they affect all residents, businesses, critical infrastructure, and industries within a utility's service territory. The Authority currently has two active rate cases underway, which will both conclude in 2023. The status of these cases is summarized below.

ACTIVE RATE CASES

In 2022, both the Aquarion Water Company (Aquarion), and The United Illuminating Company (UI) filed rate cases with the Authority. 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 below. Differences between schedules result from the difference in the statutory deadlines (200 days for water and 350 for electric), other docket schedule conflicts, and/or needs of the individual rate case.

Figure 2: Active Rate Case Progress and Next Steps



ADDITIONAL RATE CASES ON THE HORIZON

In the next twelve months, PURA expects that it could have several additional distribution rate cases before it, incremental to the Aquarion and UI rate cases. 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 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] By 1998, Connecticut and 17 other states took action to restructure their electricity markets and to require the electric utilities to divest ownership of generation assets in full or in part. Today, 24 states and Washington D.C. have competitive, deregulated electricity markets.

[2] For more information on deregulation in Connecticut, see CT DEEP 2020 Connecticut Integrated Resources Plan available here: <https://portal.ct.gov/DEEP/Energy/Integrated-Resource-Planning/Integrated-Resource-Planning>

[3] Conn. Gen. Stat. § 16-19(a)



SECTION 2: GRID MODERNIZATION

15 Dockets | 8 Annual Program Reviews

The electric sector and its infrastructure are the veins and arteries that power modern society. Nationally, the electric sector accounts for approximately five percent 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 percent 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 \(2019 EMC Interim Decision\)](#) outlining the Authority's framework for investigating strategies to modernize Connecticut's electric grid, both near-term and long-term. The 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.

What's 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.

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.

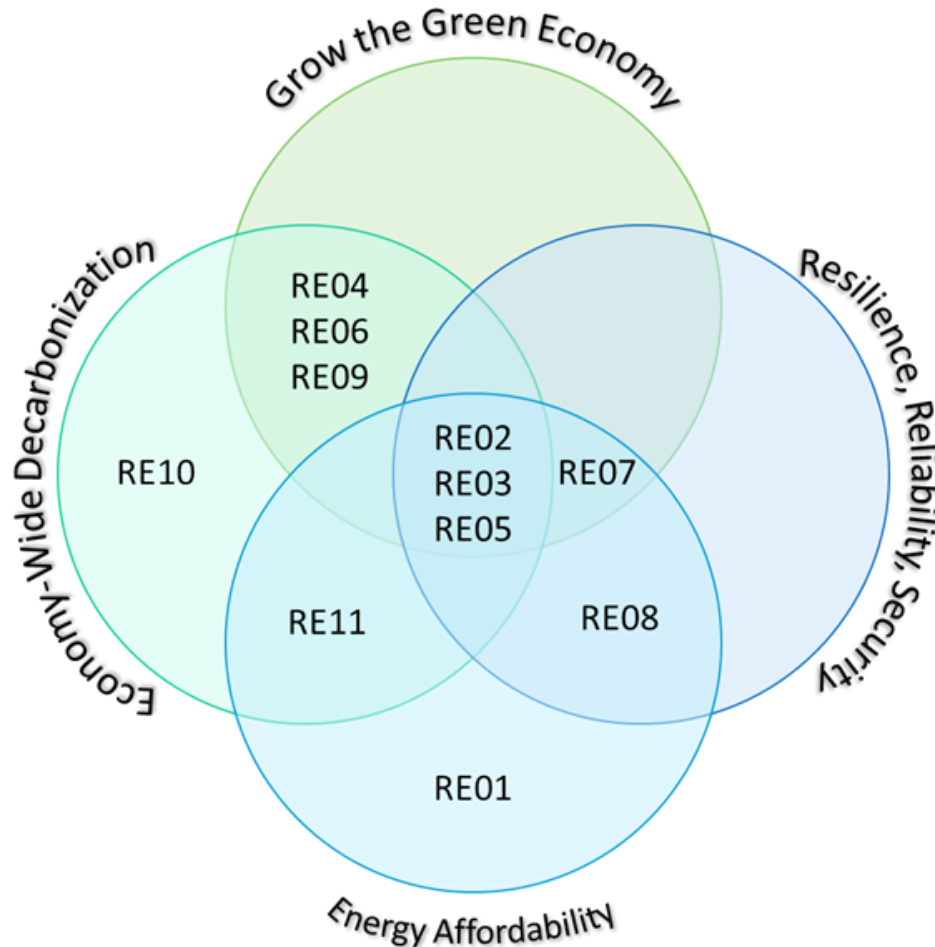
The 2019 EMG Interim Decision introduced eleven sub-topics for further investigation through a series of "reopened" proceedings, where PURA has been and, in some cases, continues to evaluate potential solutions for their cost-effectiveness and ability to meet the objectives of the framework in the long-term. Since 2019, PURA has initiated all eleven reopeners, and has issued decisions in nine with several decisions issued in some of the reopeners. The reopeners and their topics are as follows:

Figure 3: Progress Across EMG Reopener Dockets



Though each reopener contributes towards all four EMG objectives, some further more of the objectives than others. Figure 4 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 4: Reopener Alignment with EMG Objectives



KEY GRID MODERNIZATION TOPICS IN 2022

As demonstrated by Figure 4 above, each EMG reopener docket addresses one or more of the original EMG Interim Decision objectives. In 2022, the Authority issued multiple groundbreaking grid modernization decisions, each supporting the EMG Framework as a whole, and making significant contributions towards a specific objective. In Docket No. 17-12-03RE08, [PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Resilience and Reliability Standards and Programs](#), PURA's [August 31, 2022 Decision](#) created a strategic resilience and reliability framework designed to enhance, among other things, the cost effectiveness of these investments moving forward. In Docket No. 17-12-03RE11, [PURA Investigation into Distribution System Planning of the Electric Distribution Companies – New Rate Designs and Rates Review](#), PURA's

[October 19, 2022 Decision](#) approved a two-tiered low-income discount rate for qualifying residential customers, improving energy affordability tools. In Docket No. 17-12-03RE05, [PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Innovative Technology Applications and Programs \(Innovation Pilots\)](#), PURA’s [March 30, 2022 Decision](#) established the Innovative Energy Solutions Program, which will enhance novel clean energy technology deployment and economic development in Connecticut. And finally, in Docket No. 17-12-03RE09, [PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Clean and Renewable Energy Resource Analysis and Program Reviews](#), PURA’s [February 23, 2022 Decision](#) created a centralized and consolidated inventory of all of PURA’s clean energy annual program reviews, as well as a repository for data and an overview of the state’s clean and renewable energy programs as a whole, to monitor progress toward the state’s decarbonization goals. Further details on each grid modernization decision and clean energy annual program review are provided below.

Dkt. No. 17-12-03RE08: A Comprehensive, Cost-Effective Approach to Resilience and Strategic Vegetation Management

A modern grid must both be able to reliably meet increasing demand from conventional and newly electrified end uses, and resist any threats to that reliability, especially those that are weather-based. Decades of investment in reliability and resilience measures have helped maintain high blue-sky reliability performance for both electric distribution companies (EDCs) in Connecticut, but the marginal returns from these investments must, by definition, diminish at a certain point. As a result, achieving the same reliability and resilience levels is becoming increasingly expensive.[1]

In the October 2019 EMG Interim Decision, PURA concluded that establishing a process to identify resilience measures with the highest marginal returns will deliver the most value to ratepayers by cost-effectively enhancing resilience and reliability of the electric grid. The Interim Decision then introduced Docket 17-12-03RE08, [PURA Investigation into Distribution System Planning of The Electric Distribution Companies – Resilience and Reliability Standards and Programs](#), with the goal of investigating how best to accomplish that objective and establish a comprehensive framework to do so. On August 31, 2022, PURA issued its decision in Docket No. 17-12-03RE08 and established both Reliability and Resilience Frameworks, a Long-term Undergrounding Strategy, and established the Vegetation Management Working Group.

Vegetation management, also known as tree-trimming and tree removal for the purpose of electric resilience and safety, has long been a controversial topic. Connecticut is a densely forested state and has the most urban tree cover in the nation. The state’s tree cover and forests provide critical services such as protecting soil, water quality and supply, providing wildlife habitat, and sequestering carbon. However, given that

Connecticut is also the fourth most densely populated state, the proximity of trees to human infrastructure can at times be problematic regarding electric reliability and resilience.[2] Trees are often cited by the utilities as a major cause of electric utility outages, which is why aggressive vegetation management practices like removing hazardous trees is historically relied on as a common mitigation measure.

There is inherent tension between vegetation management as an electric reliability and resilience measure and the environmental value that Connecticut's vegetation provides. This tension was evident in the opposition expressed by members of the public, local representatives, and environmental groups in Docket No. 17-12-03RE08, particularly in relation to current and planned vegetation management work. During that docket process, PURA received multiple comments requesting that the EDCs halt their vegetation management projects. Concerns regarding the cost-effectiveness and ability to measure the benefits of vegetation management were also raised. In response, the Authority sought written comments on how to structure a standing Vegetation Management Working Group that would focus on improvements to the EDCs' vegetation management programs and factor in a feedback loop so that such recommendations are considered during future decision-making processes. Comments received from both DEEP and the EDCs supported the development of a working group and provided recommendations around its structure and key focus areas. As a result, PURA directed EOE to collaborate with DEEP and OCC to establish a Vegetation Management Working Group based upon the former State Vegetation Management Task Force,[3] and tasked the Working Group with tackling issues such as:

- Incorporating environmental considerations in vegetation management program design, including impacts of climate change;
- The impact of rising costs of vegetation management programs due to notification and traffic control requirements;
- Establishing consistent and efficient vegetation management practices across the municipalities;
- The lack of definition of "trees and shrubs" that is required by Conn. Gen. Stat. § 16-234(a)(4);
- Efficient coordination with municipalities and tree wardens;
- Clarification surrounding the "minimum level of pruning" as implemented by the Authority in the 18-12-25 Decision;
- Enhanced public education regarding vegetation management programs;
- Enhanced statewide standards for roadside tree planting;
- The notification requirements pursuant to Conn. Gen. Stat. § 16-234 imposed only on EDCs and no other entities (municipal electric departments, municipalities); and
- Consideration of undergrounding utility facilities and how it relates to VM programs.

PURA also directed the Vegetation Management Working Group to issue an annual

report of the work done by the group in the preceding twelve months and to submit it to the Authority for its review and approval. Going forward, PURA will consider the findings and any recommendations included in the report during its Annual Review of the EDC's Reliability and Resilience Framework established in the Decision in Docket No. 17-12-03RE08. These Annual Reviews will be conducted through Docket No. XX-08-09 each year, with "XX" being the last two numbers of the calendar year of the review. This will contribute to PURA's objective of identifying the most cost-effective and strategic measures to improve the resilience of Connecticut's grid.

EOE [filed the charter](#) for the Vegetation Management Working Group on October 14, 2022, and has committed to a quarterly meeting schedule going forward.

Vegetation Management Related Resources

- [17-12-03RE08 August 31, 2022 Final Decision](#)
- [Vegetation Management Working Group Charter](#)

Dkt. No. 17-12-03RE11: Affordability through New Rate Designs

Furthering energy affordability for Connecticut's residents and businesses is another tenet of grid modernization, though it is not a new priority for the state. Connecticut consistently has some of the highest retail electric rates in the nation resulting in high energy burden for some of its residents.[4] This is particularly damaging and harmful to low-income and underserved communities. For electric rates, customer class is defined by usage and type of customer (e.g., residential, commercial, or industrial), not by income level. Thus, ratepayers with low incomes or tight operating margins pay a disproportionate amount of their disposable income toward electricity compared with higher income individuals and businesses with the same electricity usage. Energy affordability has also been further exacerbated by the global COVID-19 pandemic, beginning in March 2020 when unemployment began to increase. During this time, the Authority required the public utilities to cease water, electric, and gas terminations for reasons of non-payment, and to create flexible payment plans for any customer.[5]

While these measures helped to avoid a flood of shutoffs and dangerous living conditions, they are not permanent or long-term solutions to affordability. Recognizing this, the Connecticut General Assembly passed Public Act 20-5, [An Act Concerning Emergency Response by Electric Distribution Companies, the Regulation of Other Public Utilities and Nexus Provision for Certain Disaster-Related or Emergency-Related Work Performed in the State](#) (Take Back Our Grid Act). Section 5 of the Take Back Our Grid Act specifically authorized the Authority to begin a proceeding to consider low-income rates by "[i]mplementing low-income...rates [that] better aligns public policy with electric utility performance and cost, providing needed relief to our poorest citizens."

The 2019 EMG Interim Decision had previously introduced Docket No. 17-12-03RE11, PURA Investigation into Distribution System Planning of The Electric Distribution Companies – New Rate Designs and Rates Review, with the intent of exploring new rate designs that address the disproportionate impact of increased electric rates on the lowest income customers and to ensure that Connecticut’s businesses are able to remain competitive. The Authority has already utilized this proceeding to investigate and issue decisions on rate designs including an [Economic Development rate](#) for small businesses and an interim rate decrease in late 2021.[6]

On October 19, 2022, PURA issued another Decision in Docket No. 17-12-03RE11, which established a two-tiered low-income discount rate (LIDR) that proactively seeks to provide direct energy assistance to qualifying residential electric customers. The tiers start with an overall eligibility cap at 60% state Median Income (i.e., Tier 1), while eligibility for Tier 2 is aligned with existing state benefit programs (i.e., up to 160% FPG). The Authority’s calculation of an appropriate level of discount for customers eligible for Tier 1 and Tier 2 is grounded in meeting the dual LIDR objectives: (1) achieving energy affordability, as defined by the allocation of no more than 6% of annual household income spent on building energy costs; and (2) reducing uncollectible expenses paid by all ratepayers, in part, by reducing the need for service disconnections and reconnections. As a result, the Authority determined that customers eligible for the Tier 1 LIDR shall receive a 10% discount applied to their total monthly bill. In addition, customers eligible for the Tier 2 LIDR shall receive a 50% discount applied to their total monthly bill.

A key component in the successful implementation of this rate will be in identifying all ratepayers that are eligible and enrolling them. The most timely and efficient approach to eligibility verification would be through an ongoing data exchange between the EDCs and the Department of Social Services (DSS), whereby DSS could cross-reference enrollment in its Benefit Programs with similar income criteria. The EDCs have been in discussion with DSS to implement such a data sharing agreement for several years, but PURA has no jurisdiction over the participation of other state agencies. Therefore, until an agreement or legislative change that formalizes data sharing between DSS and the EDCs is made, PURA has directed the EDCs to utilize interim eligibility identification measures, such as automatic enrollment of financial hardship customers. Additionally, the EDCs are required to submit further proposed identification methods including partnerships with the Community Action Agencies (CAAs) and Operation Fuel by February 1, 2023. It is important to note that the measure put in place in lieu of a data sharing agreement between DSS and the EDCs would ultimately create additional costs borne by ratepayers and use valuable utility resources that could otherwise be used to assist other ratepayers in need of assistance. Further, such a data sharing agreement has been in place in Massachusetts for several years.[7]

Low-income discount rates are a major step forward in creating a more equitable modern

grid that will positively impact many customers. Not only will it make bills more affordable for those who struggle to pay, but it will help reduce costs for all ratepayers. Every year, the EDCs must file the amount of uncollectibles with the Authority in order to build those costs into the next year's rates for recovery. The uncollectibles are then distributed across rates and paid by all ratepayers. Though a LIDR will not completely absolve all unpaid revenues, and involves a subsidy that also must be accounted for, it is expected that this will still reduce overall costs for all ratepayers as more people will be able to afford their bills and, thus, pay them. In short, increasing the ability of low-income ratepayers to pay more of their bills is a benefit to all.

The Authority directed Eversource and UI to implement a two-tier LIDR approved in the Decision in Docket No. 17-12-03RE11 beginning January 1, 2024. The EDCs are required to begin accepting customers' proof of eligibility by August 1, 2023. Going forward, the Authority will re-evaluate the LIDR on a biennial cycle as part of the relevant energy affordability annual review proceeding, with the first review expected in 2025.

In the meantime, on December 22, 2022, the Authority approved an [interim low-income discount credit](#) (LIDC), effective January 1, 2023 through June 30, 2023, which approximates the 10% Tier 1 discount for customers identified as financial hardship. Specifically, income-eligible customers in UI's service territory will receive a monthly on-bill credit of \$24 and eligible customers in Eversource's service territory will receive a monthly on-bill credit of \$25. The EDCs and other parties may seek an extension of the LIDC beyond June 2023 by submitting a proposal to the Authority by May 15, 2023.

Energy Affordability Related Resources

- [17-12-03RE11 Low Income Discount Rate Decision](#)
- [PURA Affordability Website](#)
- [Low Income Discount Credit Ruling](#)

Legislative Recommendations to Enhance Affordability & Equity

Dockets such as 17-12-03RE11 represent a key tool to enhance affordability and equity for ratepayers. However, PURA recognizes that ultimately, rates and programs are only as equitable as their design and evaluation processes. Due to the quasi-judicial nature of PURA and the corresponding legal and procedural requirements, PURA's processes can often be conducive only to stakeholders that have the resources, expertise, and time to participate during standard work week hours. The Authority has worked hard in recent years to create more equitable participation opportunities, including by hosting periodic, evening public input meetings, widely distributing opportunities for comment, and conducting public relations activities. Nonetheless, the Authority continues to seek

additional opportunities to enhance accessibility and transparency because, ultimately, limitations on the input and perspectives provided in a docket’s formal record impact the Authority’s ability to issue equitable decisions, as PURA is legally required to base its decisions on the information provided into its formal record.

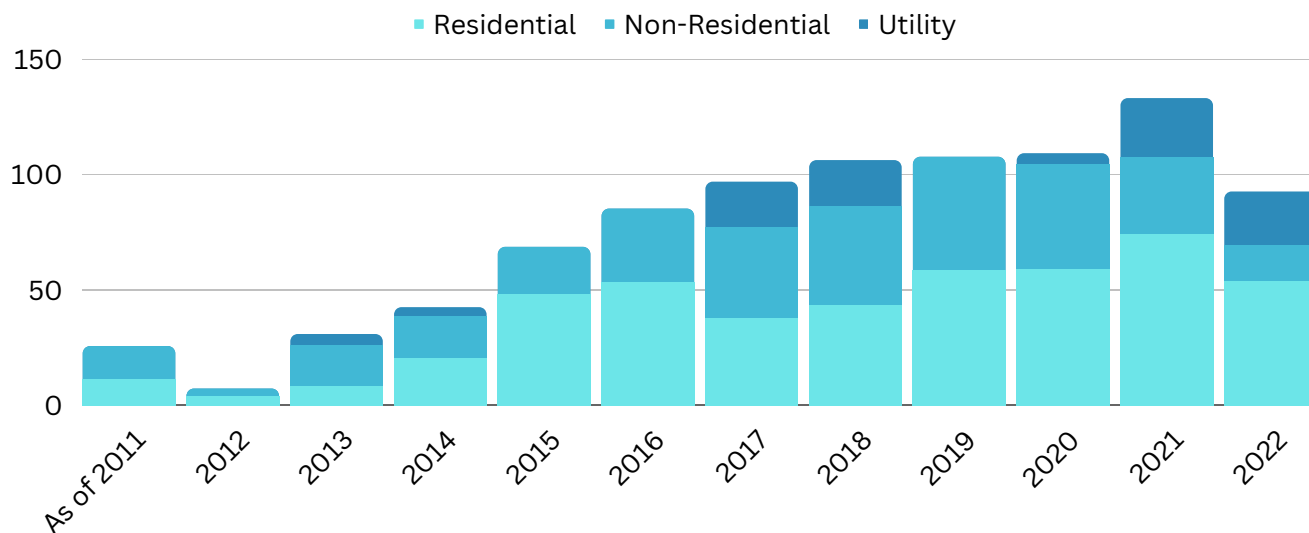
As such, PURA strongly supports any legislative changes that address the issue of equitable participation in Authority proceedings. Specifically, the Authority would support legislative proposals to expand public education efforts around energy affordability programs and PURA proceedings, providing non-profits and other organizations representing ratepayers with greater education and training regarding PURA proceedings, and compensation for underrepresented populations to cover legal fees to engage in PURA proceedings.

Further, PURA recognizes that, while the LIDR is a first step to addressing many of the systemic issues around energy affordability in Connecticut, a 50% discount may not be sufficient to support the most vulnerable populations and those facing multiple drivers of unaffordability (e.g., energy inefficient apartments, past arrearages, medical hardship, low-income, etc.). To address this issue, the Authority would strongly support efforts to expand equitable access to legal representation and resources for underrepresented and vulnerable stakeholders.

Furthering Decarbonization through Renewable Energy Deployment

Connecticut has successfully deployed renewable energy and rooftop solar resources through in-state programs for more than a decade. Figure 5 below demonstrates the state-wide solar deployments that have resulted from State programs since 2011.

Figure 5: Annual Connecticut Solar Resource Deployment by Program Category (MW)



Source: [Eversource](#) and [United Illuminating](#). Responses to CAE-33, Docket No. 22-08-01

What's a "Tariff"?

In utility regulation, a tariff refers to a per kWh pricing structure charged to customers, along with the terms and conditions of service.

In 2019, the Connecticut General Assembly enacted Public Act 19-35, An Act Concerning a Green Economy and Environmental Protection, directing PURA to, among other things, establish the next generation Class I renewable energy programs for each customer class to begin on January 1, 2022. Throughout 2020 and 2021, PURA and many docket participants worked to create the Residential Renewable Energy Solutions (RRES) and Non-Residential Renewable Energy Solutions (NRES) programs and their associated tariffs. The resulting successor tariffs were designed to meet the objectives of:

1. maintaining the sustained, orderly development of the state's solar industry;
2. Achieving a 100% zero carbon electric grid by 2040;
3. Balancing participant costs and benefits with non-participant costs and benefits and electric system costs and benefits;
4. Ensuring program accessibility for customers; and
5. Encouraging increased inclusivity overall, as well as program participation by LMI customers and customers in environmental justice communities.[8]

These tariffs represent the evolution of Connecticut's clean energy programs including the Residential Solar Investment Program (RSIP), traditional net metering, Virtual Net Metering, and the Low and Zero Emissions Renewable Energy Credit (LREC/ZREC) program. These programs were instrumental in deploying clean energy throughout the state, but reached a stage where they were ready to be developed into more sustainable, competitive, and transparent programs.

To ensure that these programs remain cost effective and on track to at least maintain historical deployment levels, PURA implemented an annual review process for each successor renewable energy program. These annual processes are used to review key metrics and to approve any necessary adjustments to the programs. The summaries of the 2022 Annual Reviews for these programs are included below.

Dkt. No. 17-12-03RE09: Optimization through Annual Program Review

Since the release of the EMC Framework, the Authority has designed and authorized several new clean energy programs, many at the behest of the General Assembly. These programs include the Residential Renewable Energy Solutions (RRES), Non-Residential Renewable Energy Solutions (NRES), and Shared Clean Energy Facility (SCEF) Programs, authorized pursuant to Conn. Gen. Stat. §16-244z; the Energy Storage Solutions (ESS) Program, authorized pursuant to Conn. Gen. Stat. §16-243ee; and the Electric Vehicle (EV) Charging Program.[9]

A consistent feature of these new programs is the inclusion of an annual review process.

The purpose of these annual reviews is to evaluate key program metrics from the preceding year and to make strategic program adjustments to ensure continued alignment with each program’s core objectives and deployment targets. This allows program administrators to make incremental improvements to reflect changing market conditions and to account for lessons learned in the previous year.

In order to create an organized record of program modifications, the Authority has implemented a standardized numbering convention for each program, as summarized in Table 2 below:

Table 2: PURA Annual Clean Energy Program Review Dockets

Numbering Convention	Standard Docket Title
2X-08-01	20XX Clean and Renewable Energy Program Data and Report
2X-08-02	Annual Residential Renewable Energy Solutions Program Review & Rate Setting - Year X
2X-08-03	Annual Non-Residential Renewable Energy Solutions Program Review - Year X
2X-08-04	Annual Shared Clean Energy Facility Program Review - Year X
2X-08-05	Annual Energy Storage Solutions Program Review - Year X
2X-08-06	Annual EV Charging Program Review - Year X
2X-08-07	Innovative Energy Solutions Cycle X

Each of these annual reviews provide an important opportunity to review each clean energy program’s design and annual progress towards its goals.

The Authority has also anticipated that there will be a need each year for one centralized resource that would consolidate all of these program reviews and information about related clean energy programs. This is achieved through the annual “Clean and Renewable Energy Program Report,” established by Docket No. 17-12-03RE09, [PURA Investigation into Distribution System Planning of the Electric Distribution Companies - Clean and Renewable Energy Resource Analysis and Program Reviews.](#)

The Authority issued its [first Clean and Renewable Energy Report](#) on February 23, 2022 summarizing the status of residential solar PV deployments, the Low Emission Renewable Energy Credit and Zero Emission Renewable Energy Credit (LREC/ZREC) Program, the Virtual Net Metering (VNM) Program, public policy contracts and power

purchase agreements (PPAs) secured through DEEP procurements, and more for the year 2021. As many of those programs, like traditional residential net metering, LREC/ZREC and Virtual Net Metering, were succeeded by the RRES and NRES programs in 2022, future iterations of this report will instead reflect the findings and data from the annual review dockets listed in Table 2 above. PURA will include the Clean and Renewable Energy Report as an appendix to future editions of this PURA Annual Report. It is anticipated that the 2022 Clean and Renewable Energy Report will be available in early February through Docket No. [22-08-01](#), [2022 Clean and Renewable Energy Program Data and Report](#).

Annual Clean & Renewable Energy Program Review Related Resources

- [17-12-03RE09 Decision](#)
- [2021 Clean and Renewable Energy Report](#)

Dkt. No. 22-08-02: RRES Program Annual Review - Year 2

As stated above, the RRES Program was created to ensure the continued growth of the residential renewable energy market following the conclusion of RSIP and the sunset of net metering on December 31, 2021. Every year, PURA opens a docket to review the RRES Program's progress towards meeting its objectives and to set the following year's tariff rates, and any other associated payments for participants. In setting the tariff rates for future program years, PURA considers both the original program objectives and the rate of return solar project need to achieve those objectives. This annual process allows PURA to account for changing variables such as federal policy changes, inflation, participation trends, and more.

Changes to the Tariffs

The Annual Review for Year 2 of the RRES Program was conducted in Docket No. 22-08-02. Based on the evidence submitted by docket participants, PURA found that the current tariff rates and rate of return are sufficient to incentivize an adequate number of applications to meet the RRES Program deployment targets in 2023. Key variables considered by the Authority included the rising costs of installation due to inflation, but also the balancing effect of the change to the federal [Investment Tax Credit](#), which will remain at 30% for residential projects instead of declining, as previously planned. Additionally, PURA concluded that another year of program data will likely be necessary before any changes are made to the tariff rates.

Low-Income and Affordable Housing Updates

While the overall tariff rates will remain unchanged in the next year, PURA was concerned by the EDCs' report that only 16.8% of installed residential solar projects qualified for the low-income or distressed community adder; far below the Authority's benchmark of 40%. In order to ensure that the RRES Program is accessible and provides benefits to vulnerable and low-income communities, PURA approved an increase to the low-income adder from \$0.025/kWh to \$0.030/kWh for 2023. The Authority also approved automatic enrollment of eligible customers into the Income Eligible and Economically Distressed Municipality adders based on (1) their address; (2) whether they are already enrolled in a utility hardship program; and (3) whether they had previously participated in the [Home Energy Solutions - Income Eligible](#) program.

The [Decision in Docket No. 22-08-02](#) also made progress in enabling affordable housing participation in the RRES Program by approving the majority of the Affordable Housing Working Group's recommendations related to PURA's orders in Docket No. 21-08-02. As a result, multi-family affordable housing with individually-metered units became able to participate in the RRES Program on January 1, 2023. Master-metered buildings are anticipated to be able to begin participating in January of 2024.

Enabling Solar & Storage Configurations

In Docket No. 21-08-02, PURA directed the EDCs to collaborate with the solar industry to file proposed solutions for systems with energy storage to both provide back-up power and to share benefits with multi-family residential customers. The EDCs and solar industry representatives submitted multiple options but also flagged several issues in those designs that could inadvertently limit the potential of this program. In response to this feedback, PURA directed the EDCs to prepare four new engineering plans by May 1, 2023. This information will be incorporated into the RRES Program Year 3 Annual Review.

Residential Renewable Energy Solutions Related Resources

- [22-08-02 RRES Year 2 Decision](#)
- [Home Energy Solutions - Income Eligible](#)
- [PURA RRES Webpage](#)

Dkt. No. 22-08-03: NRES Program Annual Review - Year 2

In 2022, Public Act 22-14, [An Act Concerning Clean Energy Tariff Programs](#), increased Connecticut's already significant commitment to distributed energy resource growth by authorizing 160 MW of clean energy per year through the tariff or procurement programs established by Public Act 19-35, in addition to residential solar through the RRES program. This change, and other amendments needed to meet the above NRES program objectives, were addressed in the [NRES Annual Review Docket, No. 22-08-03](#).

This docket was the second annual review of the NRES Program. The changes will help better align Year 2 (2023) of the NRES Program with the Program Objectives, by increasing MW deployment, fostering the sustained, orderly development of the Class I solar industry, ensuring least-cost outcomes, and increasing Program accessibility and inclusivity.

Changes to Project Size Categories

In addition to increasing the overall MW authorized each year, Public Act 22-14 also authorized an increase to the size limitation for NRES projects from 2 MW to 5 MW. In light of this, PURA sought stakeholder input on whether there should be changes to the size categories allowed in the NRES program. In order to capture economies of scale, build upon existing demand, and create competition, PURA authorized the changes to the price caps as summarized in Table 3 below.

Table 3: NRES Size Categories

Category	Old Project Size (AC)	New Project Size (AC)
Low Emission Projects	≤ 2,000 kW	≤ 5,000 kW
Large Zero Emission Projects	>600 kW ≤ 2,000 kW	≥ 1,000 kw ≤ 5,000 kW
Medium Zero Emission Projects	>200 kW ≤ 600 kW	>200 kw <1,000 kW
Small Zero Emission Projects	≤ 200 kW	≤ 200 kW

Changes to the Price Caps

In setting the price cap for each year of the NRES Program, the Authority balances the dual objectives of ensuring least-cost outcomes with the desire to deploy the full capacity allowable under statute. The Authority also carefully considers potential impacts on competition in the solicitation process, along with any other potential programmatic impacts. In the decision in Docket No. 22-08-03, the Authority determined that the changed circumstances regarding the increased program capacity and project size cap authorized by Public Act 22-14 necessitated modifications to the price caps for Year 2.

To determine an appropriate price cap for Year 2, the Authority analyzed bid prices from the Year 1 solicitation broken down by the new size categories. Since small projects do not have the benefit of economies of scale and bids were selected from a non-competitive process, the Authority directed the EDCs to maintain the Buy-All price cap for the small category the same as Year 1 at \$200.97/MWh.

For the medium and large categories, the Authority grouped Year 1 bids into size categories, inclusive of low emissions projects, and eliminated bids that were withdrawn, declined, or disqualified. The Authority then took the higher value of the following two numbers to establish the project category price cap: (1) the highest selected bid price from Year 1 of the NRES Program; or (2) the eightieth percentile bid price from each category. In this way, the Authority ensured the new price cap is set at a value that the majority of projects can compete at (i.e., the eightieth percentile), while eliminating outliers and mitigating the risk of an overly burdensome price cap. As a result, the medium Zero Emissions price cap was set to \$190/MWh, and the Large Zero Emissions and Low Emissions caps were set to \$159/MWh.

Updated Bid Preferences

The Authority utilizes bid preferences in the NRES Program to encourage projects to better achieve certain policy goals by providing ranking priority in the solicitation results. In the [original NRES Tariff Decision](#) issued on June 30, 2021 in Docket No. 20-07-01, PURA Implementation of Section 3 of Public Act 19-35, Renewable Energy Tariffs and Procurement Plans, the Authority authorized a bid preference under the NRES Program for distressed communities, as defined by the Connecticut Department of Economic and Community Development (DECD). The goal of the distressed community bid preference, consequently, is to ensure that the NRES Program is working for the benefit of all communities. However, during the NRES Program Year 2 review, stakeholders raised concern that non-residential solar projects located in a distressed community often ultimately benefit a wealthier community instead, which runs counter to the intent of the distressed community bid preference.

In response to this, the Authority directed the EDCs to require that all of a project's beneficial accounts be located within distressed municipalities to qualify for the bid preference. This requirement ensures that distressed municipality community members are actively aware of and involved with the NRES project sited in their community, which may not be the case if the beneficial accounts reside outside of the environmental justice community.

Additionally, during this Year 2 review, PURA received recommendations from multiple stakeholders to add a solar canopy and/or carport bid preference to the NRES Program. Stakeholders argued that such a bid preference would allow for greater project deployment, encourage preservation of undeveloped land, and increase overall inclusivity. Though this bid preference may not necessarily further least-cost outcomes due to the potential added costs associated with eligible projects, the Authority approved a 20% bid preference for medium and large projects. The Authority also stated its intent to use future carport or solar canopy project cost data to better analyze the

costs of such projects.

Non-Residential Renewable Energy Solutions Related Resources

- [22-08-03 NRES Decision](#)
- [Public Act 22-14, An Act Concerning Tariff Programs](#)
- [PURA NRES Webpage](#)

Dkt. No. 22-08-04: Annual Shared Clean Energy Facility Program Review

Since its approval and initiation in 2019, the Shared Clean Energy Facilities (SCEF) Program has selected Class I renewable generation projects through a competitive procurement process pursuant to Conn. Gen. Stat. § 16-244z(a)(1)(C). This program's primary purpose is to provide more equitable access to renewable energy systems for Connecticut residents and businesses that are unable to install a system on their property; often low-to-moderate income customers or customers in environmental justice communities. These customers could instead subscribe to a renewable energy system financed and constructed somewhere other than their residence or business' location and receive a \$0.025/kWh credit on their energy bill. The clean energy system owner is responsible for the financing and the construction of the project that will deliver the energy and RECs to the EDCs. In turn, the clean energy system owner/ generator will receive direct payment for the energy production of the project on a quarterly basis.

In addition to increased customer access, PURA has identified three other specific program objectives on which to evaluate performance:

1. Annually and cost-effectively allocate up to 25 megawatts to SCEFs, as defined in Conn. Gen. Stat. § 16-244x;
2. Provide savings to specific categories of customers, particularly customers with low-to moderate-income (LMI), low-income service organizations, and customers who reside in environmental justice communities; and
3. Lower or eliminate barriers to entry for Subscriber Organizations, if and when possible.

Consistent with the other Class I renewable energy programs it oversees, PURA initiates an annual review proceeding to consider modifications to the SCEF program design that would better align it with the program objectives. Modifications usually include changes to the bid price cap and bid preference criteria proposed by DEEP, or changes to the RFP documents proposed by the EDCs. On June 20, 2022, PURA issued a Notice of Proceeding in Docket No. 22-08-04, [Annual Shared Clean Energy Facility Program Review – Year 4](#). In addition to the standard modifications identified above, PURA also used this proceeding

to consider changes to the SCEF Program required as a result of the passage of Public Act 22-14, which went into effect on October 1, 2022.

The most significant changes resulting from Public Act 22-14 were to the definitions of low- and moderate-income customers, which impacts customer eligibility provisions. Specifically, the definition of “low-income customer” was changed from customers whose income does not exceed 80% of the area median income (AMI) to customers whose income does not exceed 60% of the state median income (SMI). The amendment lowers the maximum income threshold (from 80% to 60%) and changes the relevant median income (from AMI to SMI). Additionally, the statutory definition for affordable housing facilities was removed from the definition of “low-income customer” and was replaced with the tiered definition of affordable housing used in the RRES Program.

Public Act 22-14 also increased the nameplate capacity rating from four megawatts or less, to five megawatts or less, and expanded the aggregate megawatt cap per year from 25 to 50 megawatts. The Authority recognized these statutory changes and approved the associated revisions to the program rules proposed by the EDCs in its [decision issued on December 7, 2022.](#)

Legislative Recommendations to Clarify SCEF Eligibility

As identified in PURA’s decision in Docket No. 22-08-04, the definition of “moderate-income customer” was not amended in line with the changes made to the definition of “low-income customer” in Public Act 22-14. As such, there is currently a disconnect between the two definitions, resulting in an unintended eligibility gap between low- and moderate- income customers. Specifically, any resident that makes 60% or less of the area median income, but not 60% or less than the state median income, is not specifically covered in the existing definitions. As this is clearly an unintended consequence that yields an untenable result, the Authority was able to issue the following guidance through the decision in Docket No. 22-08-04:

Those customers whose income exceeds the 60% SMI threshold, but do not meet the 60% AMI threshold, shall qualify as “moderate income customers.” Where there is an overlap in the eligibility criteria, the Authority directs the EDCs to qualify those customers that qualify as both low- and moderate income, as “low-income customers” for purposes of SCEF Program administration.

Docket No. 22-08-04, Decision dated December 7, 2022, p. 5

Despite the practical resolution of this matter through Docket No. 22-08-04, the Authority nonetheless respectfully recommends that the definition of “moderate-income customer” be amended in the future to be between 60% and 100% of state median income.

Shared Clean Energy Facilities Related Resources

- [22-08-04 SCEF Decision](#)
- [Public Act 22-14](#)
- [DEEP SCEF Webpage](#)

Dkt. No. 17-12-03RE05: Growing the Green Economy Through Innovation Pilots

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.

Two of the main objectives of the EMG Framework are to support the growth of Connecticut’s green economy and to enable a cost-effective, economy-wide transition to a decarbonized future. In the 2019 EMG Interim Decision, PURA introduced Docket No. 17-12-03RE05, [PURA Investigation into Distribution Planning Of The Electric Distribution Companies – Innovative Technology Applications And Programs \(Innovation Pilots\)](#) with the goal of creating a regulatory program that allowed the EDCs to deploy, on a limited basis, innovative pilot programs, 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.

The Authority issued its [decision in Docket No. 17-12-03RE05](#) on March 30, 2022, officially approving the program design of the Innovative Energy Solutions Program (IES Program). 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

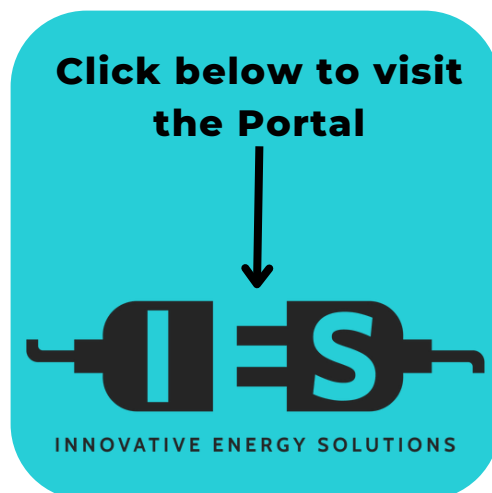
benefits or value at scale. If a project cannot meet the criteria and thresholds at a certain phase, the Authority will be able to retire the project, thereby avoiding unnecessary risk and costs to ratepayers.

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.[10] 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.

PURA has allocated up to \$25 million per program Cycle, with no more than \$5 million to any individual project. There are three pathways that will be used to categorize each project's participation: 1) third-party projects or companies; 2) EDC-administered customer and system needs innovations; and 3) collaborations between the EDCs and third parties. It is the goal that in each cycle there will be at least one project in each pathway. This will help maintain a diversified portfolio of solutions, each focusing on a different system challenge.

The first IES Program Launch 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" for which to solicit projects, but does not exclude proposals that fall outside that theme. Cycle 1 is focused on "Demand-side Flexibility" which may include, but is not limited to, advanced forecasting, automation, flexible winter peak technology, thermal storage and more. Opportunities for public participation will occur throughout the docket. More information can be found at the [IES Program Online Portal](#).



Innovative Energy Solutions Related Resources

- [17-12-03RE05 IES Program Decision](#)
- [IES Program Online Portal](#)
- [PURA IES Program Webpage](#)

[1] [See](#), PURA Docket No. 17-12-03, Interim Decision, October 2, 2019, p. 20, available at:

<https://www.dpuc.state.ct.us/2nddockcurr.nsf/8e6fc37a54110e3e852576190052b64d/0e5fc32986954bf78525875200798b44?OpenDocument>

[2] [See](#), DEEP 2020 Connecticut Forest Action Plan, December 3, 2021, available at:

<https://storymaps.arcgis.com/stories/b448641810a848de9d5d378c3c5b1c5d>.

[3] Details regarding the mission, structure, and ground rules of the State Vegetation Management Task Force can be found here: <https://portal.ct.gov/DEEP/Forestry/VM-Task-Force/Vegetation-Management-Task-Force>

[4] Energy burden is defined as the percentage of disposable income spent on energy utilities and expenses. A 6% energy burden is the generally accepted threshold for unaffordability.

[5] For more information on PURA's 2020 actions in response to the COVID-19 pandemic, visit:

<https://portal.ct.gov/pura/consumer-services/pura-covid-actions>. For more information on the Authority's order requiring the electric and gas distribution companies to offer flexible payment arrangements, see Decision dated April 20, 2022 in Docket No. 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](#), pp. 12-22, available at, [https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/7a4863c58dbf9ccb8525882a005b0335/\\$FILE/210701-042022.pdf](https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/7a4863c58dbf9ccb8525882a005b0335/$FILE/210701-042022.pdf).

[6] [See](#), PURA Interim Decision in Docket No. 21-01-04, [PURA Annual Review of the Rate Adjustment Mechanisms of the United Illuminating](#), June 23, 2022, available at:

<https://portal.ct.gov/-/media/PURA/electric/Decision--Phase-1B.pdf>. [See](#) also PURA Interim Decision in Docket No. 17-10-46RE03, [Application of the Connecticut Light and Power Company d/b/a Eversource Energy to amend its Rate Schedules - Interim Rate Decrease, Low-income Rates, and Economic Development Rates](#), October 27, 2021, available at: [https://www.dpuc.state.ct.us/2nddockcurr.nsf/8e6fc37a54110e3e852576190052b64d/93f811461f4ff3538525877b00553b38/\\$FILE/171203RE11%20&%20171046RE03-102721.pdf](https://www.dpuc.state.ct.us/2nddockcurr.nsf/8e6fc37a54110e3e852576190052b64d/93f811461f4ff3538525877b00553b38/$FILE/171203RE11%20&%20171046RE03-102721.pdf)

[7] [See](#), PURA Notice of Issuance of Low-Income Discount Rate Straw Proposal and Request for Associated Tariffs, dated May 4, 2022, in Docket No. 17-12-03RE11, [PURA Investigation into Distribution System Planning of the Electric Distribution Companies – New Rate Designs and Rates Review](#), pp. 14-15; 18, available at:

<https://www.dpuc.state.ct.us/2nddockcurr.nsf/8e6fc37a54110e3e852576190052b64d/a7525b1b9b17381285258838006ec184?OpenDocument>

[8] This is a summary of the objectives of both programs though some are specific to each program. For detailed lists of each program's objectives, see the most recent program decisions linked on pages 25 and 28.

[9] The Authority cited several statutes under Title 16 when establishing the EV Charging Program in 2021. See, Docket No. 17-12-03RE04, Decision dated July 14, 2021, pp. 2-4, [https://www.dpuc.state.ct.us/2nddockcurr.nsf/8e6fc37a54110e3e852576190052b64d/eb6c28c81c508b208525875200799494/\\$FILE/171203RE04-071421.pdf](https://www.dpuc.state.ct.us/2nddockcurr.nsf/8e6fc37a54110e3e852576190052b64d/eb6c28c81c508b208525875200799494/$FILE/171203RE04-071421.pdf).

[10] Specifically, the IAC includes representation from key categories of stakeholders including consumer protection representatives, such as the Office of Consumer Counsel (OCC); innovator and venture capital representatives, such as the Connecticut Green Bank (CGB) and Connecticut Innovations (CI); technical representatives from each EDC; environmental, non-government organization representatives and/or equity- or community-focused organization representatives; and the Department of Energy and Environmental Protection (DEEP). The Authority is also open to IAC representatives from academia familiar with technology innovation and/or energy policy and additional representatives from the for-profit venture capital community. Additional organizations will be identified to correspond with the categorical representation outlined above.

2022 GRID MODERNIZATION DECISIONS

Docket Number	Title	Decision Date
17-12-03RE09	PURA Investigation into Distribution System Planning of the Electric Distribution Companies - Clean and Renewable Energy Resource Analysis and Program Reviews	2/23/2022
17-12-03RE05	PURA Investigation into Distribution System Planning of the Electric Distribution Companies -Innovative Technology Applications and Programs (Innovation Pilots)	3/30/2022
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	4/20/2022
21-08-02	Annual Residential Renewable Energy Tariff Program Review and Rate Setting	1/05/2022 6/8/2022
17-12-03RE08	PURA Investigation into Distribution System Planning of the Electric Distribution Companies - Resilience and Reliability Standards and Programs	8/31/2022
22-06-05	PURA Implementation of Public Act 22-55	9/14/2022
22-05-01	2022 Energy Affordability Annual Review	10/12/2022

Docket Number	Title	Decision Date
17-12-03RE11	PURA Investigation into Distribution System Planning of the Electric Distribution Companies – New Rate Designs and Rates Review	10/19/2022
22-08-02	Annual Residential Renewable Energy Solutions Program Review – Year 2	11/2/2022
22-08-03	Annual Non-Residential Renewable Energy Solutions Program Review – Year 2	11/9/2022
17-12-03RE07	PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Non-Wires Alternatives	11/9/2022
22-06-01	Annual Review of Connecticut’s Electric Suppliers’ and Electric Distribution Companies’ Compliance with Connecticut’s Renewable Energy Portfolio Standards in the Year 2021	11/23/2022
22-08-04	Annual Shared Clean Energy Facility Program Review – Year 4	12/7/2022
22-08-06	Annual Review of the Electric Vehicle Charging Program – Year 2	12/14/2022
22-08-05	Annual Energy Storage Solutions Program Review – Year 2	12/21/2022

A comprehensive list of PURA 2022 decisions is available in Appendix 2, attached to this Report.



SECTION 3: THE ELECTRIC SECTOR

1.5 M Customers | 22 2022 Dockets

The electric sector is the largest industry regulated by PURA with over \$2.75 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 found 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 the electric sector regulation, including but not limited to:

- Third party electric supplier licensing;
- Registration of electric aggregators;^[1] and
- Monitoring of 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.

KEY ELECTRIC SECTOR TOPICS IN 2022

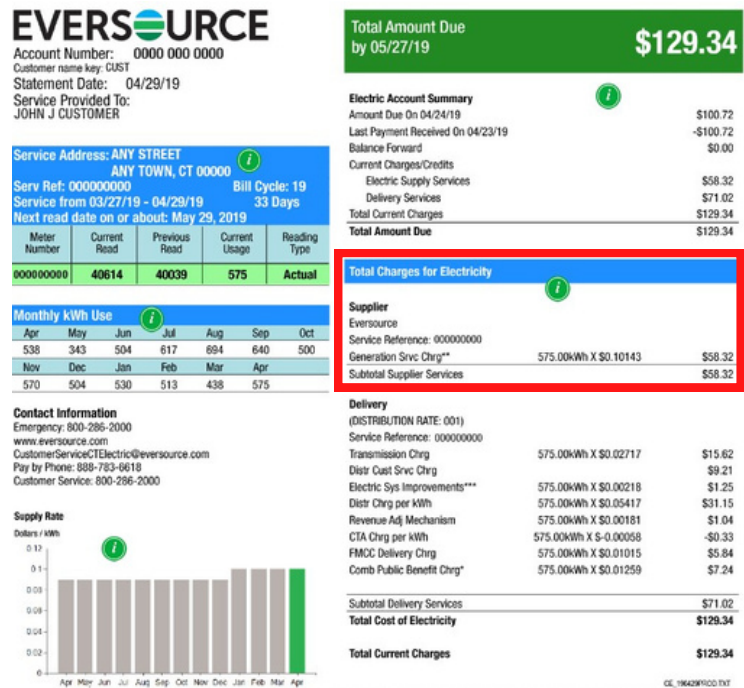
As stated above, PURA’s regulation of the EDCs primarily focuses on ensuring reliability, resilience, and affordability of electric distribution service. In 2022, against the backdrop of increasing global electric supply costs, PURA continued to investigate the development of long-term performance-based utility regulation to ensure EDC operations align with the public interest and Connecticut’s policy goals. Additionally, PURA took near-term action to streamline the annual Rate Adjustment Mechanism (RAM) reconciliation process it uses to review each EDC’s actual revenues and expenses from the year before for certain types of expenditures, generally enacted at the direction of the legislature. PURA’s efforts to streamline RAM will create a more efficient and transparent review process.

Additionally, PURA reviewed the emergency response plans of all public service companies operating in Connecticut to ensure that sufficient and appropriate measures are in place in advance of storms or other disasters. This process resulted in changes that will prioritize critical facilities during outage events. Further details on these key electric sector topics are below.

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

Figure 6: Eversource Sample Bill



Source: [Eversource Sample Electric Bill](#)

[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 United Illuminating 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.

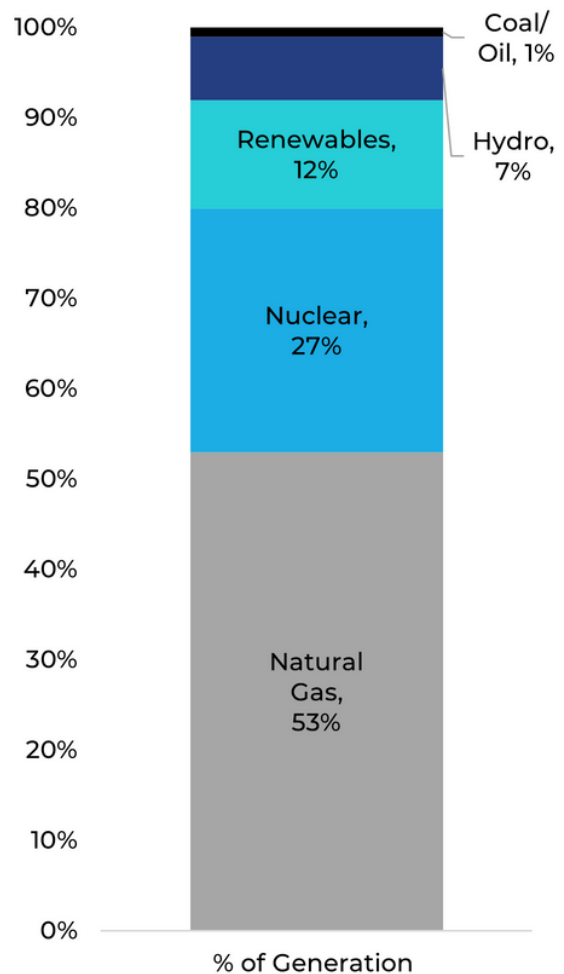
Ratepayers' supply rates are listed as a distinct line item on their monthly electric bill, as shown in Figure 6 above.

On January 1, 2023, the EDCs' procured supply rates effectively doubled, reflecting wholesale electricity prices that have increased due to a variety of factors, most significantly, the cost of natural gas. As shown by Figure 7, natural gas powers approximately 53% of New England's electricity generation. With ongoing global conflicts, high demand, and natural gas transmission constraints, the price for electricity generated at natural gas plants has increased dramatically. Since natural gas is the "marginal resource", or the resource responsible for setting the price in the wholesale energy markets in most hours, this means that electricity overall in New England is now more expensive.[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 30,000MW of new generating capacity proposals in its interconnection queue, the majority of which is wind. 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, this increase is alarming, frustrating, and harmful for many ratepayers. Though the Authority unfortunately has no control over 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

Figure 7: New England Regional Generation Mix



Source: [ISO New England](#)

to gain some control over their electric supply costs.

Additionally, PURA has other tools to address distribution charges on customers' bills in the long term, including the annual Rate Adjustment Mechanism (RAM) dockets, rate cases, and performance-based regulation. The Authority made progress in implementing or refining all of these tools in 2022, which will continue to support sustainable, and impactful energy affordability efforts for Connecticut going forward.

Last, 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 3, 2023, the Authority took the first step in reevaluating the EDCs' processes for procuring electricity supply through a [Technical Meeting](#) with Eversource 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](#). That Technical Meeting was held jointly with the Massachusetts Department of Public Utilities, at the request of [Connecticut Senate Democrats](#), with the objective of learning from and potentially implementing best practices from other jurisdictions. The Authority will continue this investigation in 2023.

Electricity Supply Prices Related Resources

- [17-12-03RE11 Low Income Discount Rate Decision](#)
- [PURA Affordability Program Webpage](#)
- [ISO New England](#)

Annual Rate Adjustment Mechanism (RAM) Dockets

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 deliver side of a customer's monthly bill.

To ensure a fair and accurate accounting of all rate components charged to customers and to address any associated under- or over-collections, the Authority annually performs a full prudence review of actual revenues and approved expenses from the prior calendar year for all rates charged to retail electric customers.[5] 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 prudence review of the underlying costs expended through the associated programs during the previous calendar year and approves the final rate adjustments associated with such prudence review; any differences between the May 1 rates and the findings of the Authority's prudence review go into effect September 1 of the current year.

In accordance with 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 by 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.

Table 4 below provides an illustrative example from the Final Decision in Docket No. 22-01-03, PURA Annual Review of the Rate Adjustment Mechanisms of the Connecticut Light and Power Company, issued on August 17, 2022, of PURA's determination of whether

Eversource under- or over-collected revenue for each rate component in 2021. Based on the below under- or over-collection, the Authority made appropriate adjustments to rates in 2022, while also taking into account the revenues and expenses Eversource was likely to incur through each rate component in 2022.

Table 4: 2022 Eversource RAM Determination by Rate Component

Rate Component	Determination	Amount
Generation Services Charge (GSC)	Under-Collection	(\$1,747,975)
Bypassable Federally Mandated Congestion Charges (BFMCC)	Over-Collection	\$5,023,578
Non-bypassable Federally Mandated Congestion Charges (NBFMCC)	Over-Collection	\$23,713,213
Transmission Adjustment Clause (TAC)	Under-Collection	(\$136,814,756)
Systems Benefit Charge (SBC)	Over-Collection	\$21,120,958
Electric Systems Improvements (ESI)	Under-collection	(\$14,388,326)
Competitive Transition Assessment	Under-Collection	(\$1,094,731)
Revenue Decoupling Mechanism	Under-Collection	(\$17,238,734)

Source: [PURA Decision, Docket No. 22-01-03, August 17, 2022](#)

RAM Filing Standardization

In recent years, starting with the Decisions both dated December 2, 2020, in Docket Nos. 20-01-01 and 20-01-02, PURA has issued a variety of orders, directives, guidance, and clarifications applicable to the RAM proceedings. As demonstrated by multiple initiatives, including this Report, the Quarterly Newsletters, increased public engagement, and more, PURA has prioritized public transparency in recent years. This direction and procedural changes to the RAM process ordered in and since Docket Nos. 20-01-01 and 20-01-02 has been with public transparency and the need for greater scrutiny around electric rates in mind.

After the most recent RAM proceedings, the Authority determined that stakeholders would benefit from the consolidation, and clarification where necessary, of this guidance, particularly around the RAM prudency reviews. On October 3, 2022, PURA initiated Docket No. 22-09-08, [PURA Proceeding to Consolidate Guidance on the Rate Adjustment Mechanism Docket Procedures and Filings](#), to consolidate the existing RAM Proceeding framework and to standardize the associated documentation and filing procedures. After issuing a Straw Proposal and receiving written comments from stakeholders, the [Authority issued a Decision](#) outlining the consolidated guidance on December 21, 2022. Specifically, the Decision included standardized required exhibits, naming conventions and formatting, consolidation of previous Decisions' related orders and compliance filings, eliminated orders that were no longer necessary, and new requirement to identify all rate impacts from each applicable RAM component, among other items.

This effort will improve the efficiency of PURA's review process and make it more transparent for stakeholders and members of the public. The EDCs will be required to utilize this consolidated RAM framework in all future RAM proceedings, beginning in 2023.

Annual Rate Adjustment Mechanism Related Resources

- [2022 Eversource RAM Decision](#)
- [2022 United Illuminating RAM Decision](#)
- [RAM Filing Consolidation Decision](#)

Docket No. 21-05-15: Performance Based Regulation Progress

At both the national and state levels, the scope of utility regulation has expanded beyond safety, reliability, and affordability 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 percent below the 2001 level by 2050. Additionally, the State Legislature 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 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 2.

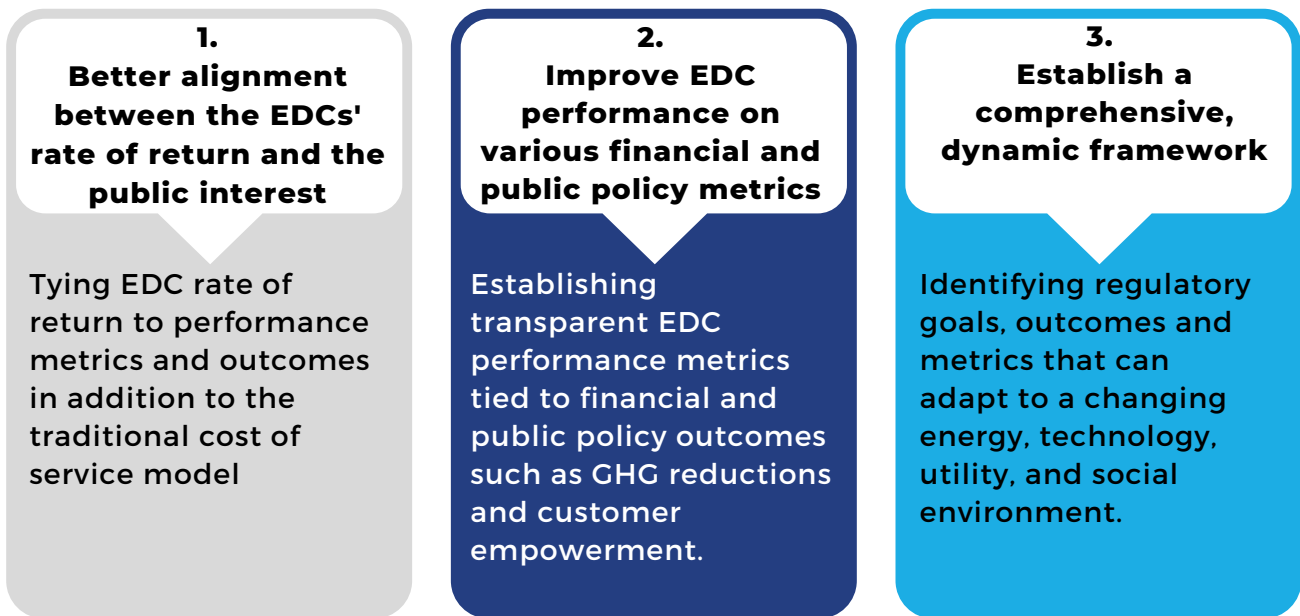
However, the legacy business model and operations of the EDCs are fundamentally at odds with such trends in public policy. The EDCs' ability to meet the core requirements of delivering safe, clean, reliable, and affordable electric service to customers is becoming increasingly complex and challenging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

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). 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.

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. Phase 1 will: (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.

The PBR Framework is anticipated to significantly 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:



PBR Progress to Date

Throughout 2022, the Authority has made steady progress through Phase 1, holding four workshops and technical meetings, and publishing three concept papers that addressed the key components of a PBR Framework. The topics addressed by each meeting and paper are summarized by Table 5 below.

Table 5: 2022 PBR Milestones

Date	Event	Purpose
3/16/2022	Public Listening Session 1	Opportunity for public comment and an introduction to PBR
3/17/2022	Staff Concept Paper 1	Proposed an initial set of Goals & Outcomes

4/5/2022	Stakeholder Workshop 1	Discussion of a PBR framework and a goals and outcomes hierarchy, followed by request for written comment
6/23/2022	Staff Concept Paper 2	Proposed revised goals and outcomes and a regulatory assessment template to evaluate how well-served outcomes currently are
7/14/2022	Stakeholder Workshop 2	Reviewed the state's existing cost-of-service framework and revised goals and outcomes, followed by request for written comment
10/07/2022	Staff Concept Paper 3	Discussed the efficacy of existing regulatory mechanisms in achieving desired public outcomes and proposed principals for metric design
10/24/2022	Stakeholder Workshop 3	Focused on mapping mechanisms to outcomes and metric design, followed by request for written comment
12/19/2022	Public Listening Session 2	Provided a proceeding overview and update; summarized Goals & Outcomes and accepted public comment

Source: [PURA Docket No. 21-05-15 External Calendar](#)

This work has set PURA up to conclude Phase 1 and to advance Phase 2. On January 25, 2023, PURA released its Phase 1 Staff Straw Proposal, summarizing the key takeaways from Phase 1 and providing recommendations from PURA Staff on how best to organize Phase 2 to timely implement impactful PBR measures. Subsequently, the Authority will finalize its approach to PBR through a Decision, expected in April of 2023, which will also provide a detail procedural schedule for Phase 2 of the proceeding. The Phase 1 PBR Decision will quickly be followed by the formal commencement of Phase 2 through the issuance of a procedural schedule. Below is the current schedule of next steps in the PBR proceeding for Q1 and Q2 of 2023:

Table 6: 2023 PBR Planned Schedule

Date	Event	Purpose
1/25/2023	Phase 1 Straw Proposal Issued & Request for Written Comments	Staff proposals on recommendations for a PBR framework and adoption of a set of Goals & Outcomes
2/1/2023	Stakeholder Workshop 4	Discussion of PURA's Phase 1 Straw Proposal and stakeholder presentations
2/15/2023	Straw Proposal Written Comments due	Stakeholder comments on the Phase 1 Straw Proposal
3/15/2023*	Distribution of Draft Decision	Finalization of a PBR framework and set of Goals & Outcomes
3/23/23*	Written Exceptions Due	Opportunity for stakeholders to raise specific issues with Draft Decision
4/12/23*	Regular Meeting/ Phase 1 Final Decision	Adoption and finalization of PBR framework and set of Goals & Outcomes

Source: [PURA Docket No. 21-05-15 External Calendar](#)

*tentative

Performance Based Regulation Related Resources

- [Staff Concept Paper 1](#)
- [Staff Concept Paper 2](#)
- [Staff Concept Paper 3](#)
- [Phase 1 Straw Proposal](#)
- [Public Act 20-5, "Take Back Our Grid Act"](#)

Storm and Emergency Event Planning

Emergency Response Planning

The major storms that have impacted Connecticut over the past decade, including those at the beginning of the 2010s and Tropical Storm Isaias, in addition to the increased frequency and severity of major storms that Connecticut has borne witness to in recent years, including the fire and heat waves in the Southwest U.S., Hurricane Ian in Florida,

and the flash flooding events across the Eastern U.S., demonstrate the importance of diligent and continuous emergency response planning. Connecticut law requires that the Authority review the emergency response plans (ERPs) of the public utilities, telecommunications companies, internet service providers, and municipal utilities on a biennial basis. On February 14, 2022, the Authority initiated Docket No. 22-02-10, [2022 PURA review of Connecticut Public Service Company Emergency Response Plans](#), to facilitate the submission, review, and report on the ERPs. In reviewing each ERP, PURA evaluates and considers:

- Communication and coordination with state officials, municipalities, and other public service companies and telecommunications companies during a major disaster;
- Participation in training exercises as directed by the DESPP Commissioner; and
- The response plans for service outages affecting more than ten percent, thirty percent, fifty percent, and seventy percent of such companies, providers, or municipal utility's customers.

Through Docket No. 22-02-10, PURA reviewed the ERPs for five of the seven municipal electric departments, SCG, CNG, Yankee Gas, and multiple telecommunications companies. Additionally, both Aquarion and Connecticut Water submitted water supply plans (WSPs) pursuant to Conn. Gen. Stat. § 25-32d in place of an ERP. PURA also evaluated Eversource and UI's ERPs through the lens of Docket No. 17-12-03RE08, discussed previously in Section 2, comprehensively assessing the electric utilities' reliability and resilience programmatic impacts on emergency response. All of the submitted ERPs and WSPs were found to sufficiently meet the statutory minimum requirements in the [Authority's Decision, dated August 31, 2022](#). Redacted versions of the ERPs filed by UI, Eversource, CNG, SCG, Yankee, Aquarion, and Connecticut Water Company are available in PURA's docket database to provide transparency for state and local officials, as well as customers and residents.

A key benefit of this regular review is the opportunity it provides to incorporate lessons learned and best practices from recent storm experiences and emergency exercises. For example, through this proceeding, PURA identified a vulnerability for water companies and telecommunications providers' critical facilities based on the Authority's experience supporting the state's emergency operations center during Tropical Storm Isaias. The Authority found that most of these companies do not provide the EDCs with a list of critical facilities that require electric distribution service in advance of an emergency. More often, this is done during or after a major event. Furthermore, the Authority found that during Tropical Storm Isaias, given the large number of priority outages during the storm event, the EDCs were not prepared to coordinate with the water and telecommunications companies to ensure that vital services were restored power. While restoring power to customers, particularly those facilities identified by municipalities as

critical, is a top priority for the EDCs after a storm event, maintaining water treatment, sewer systems, and the state's telecommunication network is vital to maintaining the health and safety of the citizens of Connecticut.

Thus, PURA ordered the water and telecommunications companies to provide critical facility information to the EDCs so that they can provide more strategic outage restorations during an emergency event, to the benefit of both customers and the water companies and telecommunications providers. The Decision in Docket No. 22-02-10 also directed the water companies and telecommunications service providers to update their ERPs to better coordinate communications regarding critical facility restoration during future emergency events. The Decision in Docket No. 17-12-03RE08 similarly directed the EDCs to more actively coordinate with both the water and telecommunications companies.

Emergency Support Function 12 (ESF-12)

Following the severe storms that hit Connecticut in 2011, the Department of Emergency Services and Public Protection's 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.[6] The official ESF-12 Annex was released in August of 2013 and continues to be maintained by Work 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 Work 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, identify critical facilities, and helping identify road clearing priorities.

The ESF-12 Work Group meets on a quarterly basis, but also meets as needed to address potential or active threats. Throughout 2022, PURA led meetings with a specific focus on addressing the potential for rolling blackouts throughout New England in future winters. This included a related Technical Meeting on January 6, 2022 in Docket No. 17-12-03RE08, where the EDCs and ISO New England presented on load shedding protocols, otherwise

known as controlled rolling outages or rolling blackouts, and an ESF-12 meeting on February 23, 2022 to discuss the same. Fortunately, rolling blackouts did not occur during the winter of 2022, but the activity of the ESF-12 Work Group demonstrates the state's coordinated and organized preparation for potential severe events that may affect the grid.

PURA organized and held subsequent ESF-12 Work Group meetings on September 15, 2022, and on December 20, 2022. Those meetings were used to continue to address planning for the potential for load shedding during winter energy emergencies. That work includes identifying operational and communication plans to implement during emergencies, and identifying solutions to address the underlying problems.

Also, 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, one to aid coordination between electric distribution companies 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 electric distribution companies and the water/wastewater providers to likewise ensure their critical facilities were identified prior to storms so that they can be properly prioritized for restoration during an event. Quarterly meetings in 2023 will continue this work, while also looking into developing addendums to ERPs that specifically address emergency response and restoration activities following a cybersecurity-related event. Future ESF-12 meetings are scheduled for March 31, 2023, June 14, 2023, September 23, 2023, and December 20, 2023.

Emergency Response Related Resources

- [PURA Emergency Response Planning Decision](#)
- [17-12-08RE03 Resilience and Reliability Standards Decision](#)
- [Connecticut ESF-12 Annex](#)

[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 2021 Annual Markets Report, issued May 26, 2022, available at: <https://www.iso-ne.com/static-assets/documents/2022/05/2021-annual-markets-report.pdf>

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

[5] 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.

[6] 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

2022 ELECTRIC SECTOR DECISIONS

Docket Number	Title	Decision Date
21-12-15	Petition For Approval Of Method And Manner Of Construction And Permission To Energize The 690 Line Rebuild Project	1/12/2022
08-01-01RE06	DPUC Review of Peaking Generation Projects – PSEG Change of Control	2/2/2022
21-12-08	2022 Report to the General Assembly Regarding the Connecticut Electric Efficiency Partners Program	2/9/2022
22-02-08	Petition for Approval of Method and Manner of Construction and Permission to Energize the 100 and 1410 Lines Montville to Horton Cove Rebuild Project	3/9/2022
21-11-01	Annual Report to the Legislature – The State of Electric Competition	3/23/2022
22-01-06	Application of Neighborhood Energy, LLC for an Electric Aggregator Certificate of Registration	3/23/2022
22-02-01	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	5/18/2022

Docket Number	Title	Decision Date
22-04-35	Petition For Approval Of Method And Manner Of Construction And Permission To Energize To Energize The 100, 400 And 1410 Lines As Part Of The Eastern Connecticut Reliability Project From Montville Junction To Ledyard Junction	6/1/2022
21-08-08	Petition to Establish a Docket Pertaining to Public Act 21-162, An Act Concerning the Solicitation of New Fuel Cell Electricity Generation Projects	6/22/2022
22-05-17	Application of Utiliz Services, LLC for an Electric Aggregator Certificate of Registration	7/6/2022
14-07-19RE06	PURA Investigation into Redesign of the Residential Electric Billing Format - Five-Year Review	7/27/2022
22-01-04	PURA Annual Review of the Rate Adjustment Mechanisms of The United Illuminating Company	4/13/2022 8/17/2022
22-01-03	PURA Annual Review of the Rate Adjustment Mechanisms of The Connecticut Light and Power Company	4/13/2022 8/17/2022
22-07-20	Application of The United Illuminating Company for the Approval of the Issuance of Debt	9/7/2022
22-07-23	Petition For Approval Of Method And Manner Of Construction And Permission: To Energize The 400/500 Lines, Rebuild Project As Part Of The Eastern Connecticut: Reliability Project: Ledyard Junction To Tunnel Substation	9/7/2022

Docket Number	Title	Decision Date
22-08-22	Petition For Approval Of Method And Manner Of Construction And Permission: To Energize The 1200 And 1300 Lines - As Part Of The 1200 And 1300 Line Structure Replacement Project	9/21/2022
07-04-24RE01	DPUC Review of Energy Independence Act Capacity Contracts - Waterside Change of Ownership	9/21/2022
22-06-03	GB II New Haven LLC Application to Establish 2023 Revenue Requirements	11/9/2022
22-08-33	Application Of The Connecticut Light And Power Company dba Eversource Energy For Approval Of The Issuance Of Long-Term Debt	11/30/2022
22-03-16	Petition of the Office of Consumer Counsel for an Investigation into the United Illuminating Company and Eversource Energy Regarding Collections Practices During the Covid-19 Moratorium	12/7/2022
22-08-16	2022 PURA Report to the General Assembly on Electric Distribution Company System Reliability	12/21/2022
22-09-08	PURA Proceeding to Consolidate Guidance on the Rate Adjustment Mechanism Docket Procedures and Filings	12/21/2022

A comprehensive list of PURA 2022 decisions is available in Appendix 2, attached to this Report.



SECTION 4:

THE NATURAL GAS SECTOR

600K CUSTOMERS | 10 2022 DOCKETS

PURA is responsible for the regulation and oversight of all in-state natural gas pipelines, both as it relates 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.

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 2022, PURA conducted robust inspection processes and found and corrected multiple violations. Additionally, PURA issued multiple civil penalties designed to deter further noncompliance.

Submit a Safety Complaint

or

Contact CBYD:

Call 811 or 1-800-922-4455



441

Pipeline
Safety
Inspection
Person-days



598

CBYD
Inspections



72

Total
Violations
Found



\$5.5 M

Civil
Penalties
Issued

KEY NATURAL GAS TOPICS IN 2022

The Authority's foremost responsibility related to natural gas is ensuring the safe and affordable delivery of service throughout the state. Additionally, PURA was previously tasked with overseeing aspects of the implementation of Public Act 13-298, [An Act Concerning Implementation of Connecticut's Comprehensive Energy Strategy and](#)

Various Revisions to the Energy Statutes, which directed the LDCs in 2013 to develop a natural gas system expansion plan (SEP) and submit it for PURA's review and approval. On April 27, 2022, PURA issued a [Decision in Docket No. 21-08-24](#), Petition Of William Tong, Attorney General For The State Of Connecticut, And The Office Of Consumer Counsel For an Investigation Into Eversource Energy Regarding Gas Expansion Marketing, which ordered the immediate winding down of the SEP. Further details on this decision are below.

Phasing-Down the Ratepayer-Incentivized Natural Gas Expansion Plan

Public Act 13-298 was primarily driven by findings from DEEP's 2013 [Comprehensive Energy Strategy](#) (CES), which recommended deploying ratepayer dollars to incentivize a natural gas expansion plan because gas produced lower emissions than oil or coal and was, at the time, also cheaper. The resulting legislation put Connecticut on a 10-year mission to convert approximately 280,000 customers to natural gas. On November 22, 2013, PURA approved the LDCs' joint SEP submitted in Docket No. 13-06-02, Investigation of Connecticut's Local Distribution Companies' Proposed Expansion Plans to Comply with Connecticut's Comprehensive Energy Strategy (SEP Docket).

In the [Decision issued on November 22, 2013](#) in Docket No. 13-06-02 (SEP Decision), the Authority adopted four triggers that would be monitored to determine if the SEP required reevaluation and adjustment and required the LDCs to address these parameters in their annual SER filings. Reevaluation occurs under the following triggers:

- **Material Change in Gas/Oil Spread:** If the difference between oil and gas prices declines to a level such that, after factoring in the premium paid by new customers under the SERs, so that gas prices are more than delivered oil prices. Such forecast convergence of gas and oil prices must be the reasonably expected future state for more than two years as forecast by the U.S. Energy Information Administration;
- **Material Impact on Customers' Bills:** If the SER increases an average customer's overall rate by more than 25 percent;
- **Customer Conversions Less than 50% of Forecasted (Conversion Trigger):** If the actual number of customer conversions, on a cumulative basis, is less than 50 percent of the number forecasted to convert for that same time period, as established in the preceding year's review of the SEP; or
- **Plan Expenditure Increases:** If the totality of SEP expenditures increases the overall residential bill for existing customers by 5% or more in any given year or by 15% or more over the life of the SEP.

PURA has since opened several subsequent dockets to evaluate or to modify various parts of the SEP Decision. In August of 2021, PURA initiated Docket No. 21-08-24 with the dual

purpose of investigating allegations raised by Attorney General Tong that Yankee Gas (an LDC) was using deceptive marketing techniques for the SEP, and to evaluate whether the SEP was still consistent with DEEP's CES, and the provisions of Title 16 of the General Statutes of Connecticut.

The investigation into Yankee Gas' marketing culminated in the issuance of a Notice of Violation and Assessment of Civil Penalty of \$1.797 million against Yankee Gas on December 17, 2021.[2] However, the evaluation of the SEP overall led to additional outcomes. On April 27, 2022, PURA issued a [Decision in Docket No. 21-08-24](#), which ordered the immediate winding down of the SEP.

The conclusion to wind down the SEP was based primarily upon the robust evidence that many conditions, including those related to the reevaluation triggers outlined above, had changed significantly since the inception of the SEP. First, the average cost to connect new services had increased as much as three times since 2014, all while the number of new customers had decreased. Since the original purpose of the SEP was to expand the LDC's customer base and increase natural gas usage, this signaled both low performance and excessive costs for ratepayers. Second, while the economics of natural gas appeared to be preferable at the beginning of the SEP, price trends did not behave as predicted:

1. The price of oil did not follow the original EIA estimate used in the 2013 CES;
2. The relative price benefit of gas to oil decreased significantly;
3. The price of gas rose faster than predicted; and
4. The payback period for a customer converting to gas ended up being much longer.

In addition to rising market prices, the program as designed led ratepayers to bear the cost of revenue shortfalls and capital cost variances. From the beginning of the SEP through 2019, the LDCs' reported \$8.61 million in unpaid capital investments associated with 1,300 customers who signed service agreements that never followed through with completing the conversion process. Ratepayers overall are left to pay for those costs instead.

The last factor that led to PURA's decision to wind down the SEP was the LDCs' failure to meet the original conversion goal of 280,000 in ten years. With less than two years left in the original 10-year timeframe, PURA found that the LDCs' had met only 32% of the original goal. Instead of reporting conversions compared with the initial projects, the LDCs adjusted their conversion projections down each year when submitting their SEP filing, which allowed them to report conversion completions at 90% or more in each filing year.

The investigation in Docket No. 21-08-24 made it clear that the SEP was no longer in the best interest of ratepayers. As such, the wind-down process began immediately following the Decision's adoption on April 27, 2022. Importantly, the wind-down of the SEP should not be construed as a moratorium on gas expansion or usage in the state; such an action would likely require legislative action. Indeed, it should be noted that ratepayers may still request new gas service in Connecticut; however, there are no longer any additional ratepayer-funded incentives to do so due to the failure of the SEP to deliver any of the benefits on which its authorization was based.

The Future of Natural Gas

Natural gas presently heats more than a third of homes in Connecticut; a trend that will likely persist in the near- and medium- term. Multiple stakeholders in Docket No. 21-08-24 recommended that the Authority open a docket to evaluate the future of natural gas heating. Just a few months before the Decision in Docket No. 21-08-24 was issued, DEEP announced in its [Notice of Proceeding and Scoping Meeting for the 2022 CES](#) that it would be reevaluating natural gas expansion and the future of natural gas given the direction of Executive Order 21-3 to develop strategies to achieve greenhouse gas emission reductions.[3] Given DEEP's ongoing CES proceeding, the Authority determined that it would be more appropriate for PURA to evaluate the findings from the 2022 CES process regarding the future of gas expansion, rather than convene a new PURA proceeding, at that time. If, however, circumstances arise that indicate PURA should open a docket prior to finalization of the most recent CES, the Authority can always act on its own motion or on the motion of a third party to open a PURA docket on this matter.

Natural Gas Expansion Plan Wind-Down Relevant Resources

- [21-08-24 SEP Wind-Down Decision](#)
- [DEEP 2022 Comprehensive Energy Strategy Planning Process](#)

[1] Conn. Gen. Stat. § 16-272

[2] Yankee Gas paid the \$1.797 million penalty on January 7, 2022, and did not request a hearing.

[3] DEEP Notice of Proceeding and Scoping Meeting, Jan. 6, 2022, p. 3, available at: <https://portal.ct.gov/-/media/DEEP/energy/CES/2022CESnoticeofproceedingpdf.pdf>

2022 NATURAL GAS SECTOR DECISIONS

Docket Number	Title	Decision Date
22-01-20	Assessment of Civil Penalty Against the Connecticut Natural Gas Corporation for Pipeline Safety Violations	3/9/2022
21-10-01	PURA Annual Review of the Purchased Gas Adjustment Clause Charges or Credits Filed by Connecticut Local Distribution Companies	3/30/2022
22-03-12	Assessment of Civil Penalty Against Yankee Gas Services Company for Pipeline Safety Violations	4/6/2022
21-08-24	Petition Of William Tong, Attorney General For The State Of Connecticut, And The Office Of Consumer Counsel For an Investigation Into Eversource Energy Regarding Gas Expansion Marketing	4/27/2022
22-01-14	2022 PURA Report to the General Assembly Concerning Lost and Unaccounted for Gas	6/22/2022
22-04-37	Application of The Southern Connecticut Gas Company for Approval of the Sale of Improved Land in Orange, Connecticut Pursuant to Conn. Gen. Stat. § 16-43 and Conn. Regs. §§ 16-43-1 and 16-43-3	10/19/2022
22-06-02	GenConn Energy LLC Application to Establish 2023 Revenue Requirements	12/14/2022

Docket Number	Title	Decision Date
22-03-03	Review of the 2021 System Expansion Reconciliation Mechanisms Filed by: Connecticut Natural Gas Corporation, The Southern Connecticut Gas Company and Yankee Gas Services Company	9/14/2022 12/21/2022
22-09-01	Call Before You Dig, Inc. - Proposed Budget for 2023	12/21/2022
22-08-21	Assessment of Civil Penalty Against Norbert E. Mitchell Co., Inc. for Pipeline Safety Violations	12/21/2022

A comprehensive list of PURA 2022 decisions is available in Appendix 2, attached to this Report.



SECTION 5: THE WATER SECTOR

1.1 M CUSTOMERS | 16 2022 DOCKETS

Connecticut's water is an essential natural resource that must be carefully maintained and distributed in order to ensure long-term, safe, and affordable availability. Within the state's 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. The 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 the ten 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). 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 TOPICS IN 2022

Drought & Water Conservation

Despite typically receiving plentiful precipitation, Connecticut

is not exempt from experiencing drought conditions. In July of 2022, Governor Lamont declared [Stage 2 Drought conditions](#) in all eight Connecticut counties due to a combination of precipitation shortfalls and higher than normal temperatures. Distinct from the other four stages of drought conditions, Stage 2 is used to identify an emerging drought event and warns citizens about potential impacts to water supplies. In 2022, when Governor Lamont declared a Stage 2 Drought, residents and businesses were asked to voluntarily take measures to conserve water.

In addition to participating on the WPC, PURA also participates in the Interagency Drought Workgroup (IDW), which is a subcommittee of the WPC. The IDW is responsible for developing and administering the [Connecticut Drought Preparedness and Response Plan](#) (Drought Plan). The WPC adopted the IDW's updated Drought Plan on September 6, 2022. The Drought Plan provides guidance and recommendations for a coordinated approach to drought response and determines the level of concern warranted for a drought event.[2] Additionally, the Drought Plan identifies the powers provided by existing statutes and regulations that can be called upon by Connecticut's state agencies to manage water shortages and societal hazards caused by droughts.

Water Infrastructure Conservation Adjustments (WICA)

Among its responsibilities in regulating the water companies, PURA is charged with ensuring utility rate designs that encourage conservation and responsible water use, particularly through a regulatory tool called the Water Infrastructure Conservation Adjustment (WICA) surcharge adjustment mechanism. The WICA process enables the Authority to administer a rate adjustment mechanism for the purpose of funding eligible water infrastructure improvement projects completed by PURA-regulated water companies between rate cases. Under the WICA program, ratepayers pay the rate-case-approved rates, plus an additional WICA surcharge to recover the costs of approved improvements. This enables water companies to accelerate the replacement and/or rehabilitation of aging water system infrastructure and promotes conservation measures without needing to wait for another rate case.[3] Pursuant to Conn. Gen. Stat. § 16-262w(i), the amount of WICA charged between general rate case filings cannot exceed ten percent (10%) of the water company's approved annual revenue requirement.

When companies propose new WICA projects, the Authority analyzes the proposals against the following criteria:

1. It is eligible for WICA Program treatment under Conn. Gen. Stat. § 16-262v(1). Specifically, the project is eligible if it:
 - a. Improves or protects the quality and reliability of service to customers including (A) renewal or replacement of existing infrastructure ... [that has] either reached the end of its useful life, are worn out, are in deteriorated condition, are or will be contributing to unacceptable levels of unaccounted for water, or are negatively impacting water quality or reliability of service if not replaced; (B) covers main cleaning and relining projects; (C) relocation of facilities as a result of government actions, the capital costs of which are not otherwise eligible for reimbursement; [and] (D) purchase of leak detection equipment or installation of production meters, and pressure reducing valves;
2. Benefits customers by improving water quality, system integrity, or service reliability;
3. Adheres to the criteria established for determining priority of infrastructure projects;
4. There is a sufficient level of investment in infrastructure.

In 2022, PURA issued WICA decisions for the Aquarion Water Company of Connecticut (Aquarion) (Docket Nos. 13-02-20RE06 and 13-02-20WI23), Connecticut Water Company (Docket No. 20-12-30WI03), Jewett City Water Company (Docket No. 13-12-28WI07,) and Hazardville Water Company (Docket Nos. 12-07-07WI16 and 12-07-07WI17). The majority of these decisions addressed over- or under-collections for previous years' WICA approvals, allowing the companies to either collect necessary additional revenues through a temporary surcharge, or directing them to apply a temporary credit on customer bills to return overcollections. A summary of these decisions is in Table 7 below:

Table 7: 2022 WICA Decisions by Docket

Docket No.	Company	Decision Date	Reconciliation Amount	Duration
13-12-28WI07	Jewett City Water Company	3/30/2022	\$12,313 over-collection; 0.58% rate credit	4/1/2022-3/31/2023
13-02-20WI23	Aquarion Water Company	3/9/2022	\$54,806 under-collection; 0.03% rate surcharge	4/1/2022-3/31/2023
12-07-07WI16	Hazardville Water Company	3/30/2022	\$10,573 under-collection; 0.28% rate surcharge	4/1/2022-3/31/2023

20-12-30WI03	Connecticut Water Company	6/22/2022	\$3,448,523 under-collection; 3.26% rate surcharge	7/1/2022-6/30/2023
12-07-07WI17	Hazardville Water Company	12/21/2022	\$1,321,466 incremental costs; 4.32% rate surcharge	1/1/2023

Water Conservation Related Resources

- [Connecticut Drought Preparedness and Response Plan](#)
- [Connecticut Water Planning Council Webpage](#)
- [PURA Water Sector Webpage](#)

Water Industry Consolidation

As noted earlier in this Annual Report, one of the Authority’s responsibilities in regulating public service companies is to carefully review any mergers or acquisitions. Specifically, pursuant to Conn. Gen. Stat. § 16-19e(a), the Authority “shall examine and regulate the transfer of existing assets and franchises,” including “that the public service company shall be fully competent to provide efficient and adequate service to the public in that such company is technically, financially, and managerially expert and efficient” and “that the authority and all public service companies shall perform all of their respective public responsibilities with economy, efficiency and care for public safety and energy security, and so as to promote economic development within the state.” In other words, the companies must demonstrate to PURA that the transfer of ownership of one company to another is in the best interest of the public and the customers of both companies.

In 2022, the trend of consolidation of Connecticut’s water sector continued, requiring PURA to evaluate two applications for voluntary acquisitions. First, on December 6, 2021, Miami Beach Water Company (MBWC) and Connecticut Water Company (CWC) jointly filed an application to PURA in Docket No. 21-12-07, [Joint Application of the Connecticut Water Company and the Miami Beach Water Company for the Acquisition and Dissolution of the Miami Beach Water Company, Inc.](#), requesting approval for CWC’s voluntary acquisition of MBWC. At the time of the application, CWC served over 105,000 customers statewide and was comprised of over 60 small water systems that it had acquired since 1986. MBWC on the other hand, is a small water company that owned a

system serving just 118 residences in the Miami Beach Association district in Old Lyme, Connecticut. Similarly, on April 1, 2022, Aquarion and Torrington Water Company (TWC) filed a joint application with PURA in Docket No. 22-04-01, [Application of Aquarion Company, Aquarion Merger Company II, LLC and The Torrington Water Company for Approval of Change in Control](#), requesting approval of a change in control in which Aquarion would acquire the common stock of TWC and TWC would become a subsidiary of Aquarion. At the time of the application, Aquarion served over 226,000 customers in Connecticut, Massachusetts, and New Hampshire, while TWC served approximately 10,200.

There are several state statutes that address the consolidation of small water systems in Connecticut, particularly those that are otherwise not economically viable.[4] Often, small water companies have aged infrastructure, and given that their operations and maintenance costs are spread across only a small number of customers, large investments in system upgrades can end up being cost-prohibitive for the customer base to finance. Comparatively, larger water companies have greater numbers of customers across which to socialize costs and can have more affordable operations costs on a per customer basis due to economies of scale. Generally speaking, and depending on the circumstances, this means that the acquisition of a smaller water company by a larger one can benefit both the smaller company's customers through reduced costs and the larger company's customers through increased rate base and revenues.

The Authority found this to be true in the case of Aquarion's acquisition of TWC. The TWC system is adjacent to Aquarion's existing operations in Litchfield, Goshen, Norfolk, Cornwall, Canaan, North Canaan, Salisbury, Simsbury, Granby, East Granby, and Suffield. Aquarion stated that TWC's geographic proximity would result in nearly \$500 thousand in operating efficiencies for TWC by the end of 2023. Additionally, Aquarion stated that if the merger was approved, it would implement its conservation and lead service line replacement programs in the TWC territory, both of which are in the public's best interest. Thus, in its [September 28, 2022 Decision](#) approving the change in control, the Authority found that the proposed merger was in the public interest and that it would not have an adverse impact on either TWC's or Aquarion's current ratepayers.

However, in situations where the smaller water company is not economically viable, an acquisition may conflict with the prudence standard to which the Authority holds utility cost recovery. Asking the customers of large water companies to bear the costs of acquiring a smaller company that is not economically viable must be balanced with efforts to minimize any negative impact on those ratepayers. For example, in Docket No. 21-12-07, though the agreed purchase price of MBWC was just \$1.00, PURA found that CWC would also become responsible for approximately \$1.6 million in capital improvements. In order to balance the burden of the CWC ratepayers bearing the cost of

acquiring MBWC, PURA approved a \$92.00 monthly surcharge on former MBWC customers' rates, which will be applied to the cost of the capital improvements on the MBWC water system. The Authority's calculations found that the \$92.00 surcharge represented a sufficient rate to cover half of the capital improvements needed to the former MBWC system. Ultimately, the Authority approved the acquisition of MBWC by CWC through its [Decision on June 8, 2022](#), finding that CWC had the necessary financial, managerial, and technical abilities to operate the MBWC water system in a reliable and efficient manner and that a fair and appropriate level of subsidization had been established to not unduly impact former MBWC or CWC customers.

Water Industry Consolidation Related Resources

- [PURA Approval of Aquarion's Acquisition of Torrington Water](#)
- [PURA Approval of Connecticut Water Acquisition of Miami Beach Water Company](#)

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

[2] Connecticut Drought Preparedness and Response Plan, September 6, 2022, https://portal.ct.gov/-/media/Water/Drought/CT_State_Drought_Plan_2022-09-06.pdf

[3] Unlike gas and electric distribution companies, water companies are not required by statute to have periodic rate reviews. See Conn. Gen. Stat. § 16-19a(a)(1).

[4] See, e.g., Conn. Gen. Stat. §§ 16-262o(c), which allows rate surcharges.

2022 WATER SECTOR DECISIONS

Docket Number	Title	Decision Date
21-08-40	PURA Review of the Connecticut Water Company's Request for Approval of a Drinking Water State Revolving Fund Loan Agreement to Fund a Water Main Extension Project in Naugatuck, CT	1/12/2022
10-05-01WI23	Application of The Torrington Water Company for its Annual Reconciliation of its Water Infrastructure Conservation Adjustment	3/2/2022
13-02-20WI23	Annual WICA Surcharge Reconciliation	3/9/2022
20-12-30WI02	Application of The Connecticut Water Company for its Annual Reconciliation of its Water Infrastructure and Conservation Adjustment 2021	3/16/2022
13-02-20RE06	Application of Aquarion Water Company of Connecticut to Amend Its Rates - WICA Reset Settlement	3/16/2022
10-05-01WI24	January 2022 Application for Water Infrastructure and Conservation Adjustment and Semi Annual Filing Report	3/23/2022
13-12-28WI07	Application of the Jewett City Water Company for Annual Reconciliation of WICA	3/30/2022
12-07-07WI16	Application of Hazardville Water Company for Annual Reconciliation of WICA	3/30/2022

Docket Number	Title	Decision Date
21-12-07	Joint Application of the Connecticut Water Company and the Miami Beach Water Company for the Acquisition and Dissolution of the Miami Beach Water Company, Inc.	6/8/2022
22-04-29	Application of Aquarion Water Company of Connecticut for Approval of the Issuance of Unsecured Notes in the Principal Amount of up to \$120,000,000	6/15/2022
20-12-30WI03	Application of The Connecticut Water Company for a Water Infrastructure Conservation Adjustment Semi Annual Filing Report	6/22/2022
22-06-13	Application of The Connecticut Water Company for Approval of the Issuance of up to \$25,000,000 of Unsecured Notes	8/10/2022
22-06-04	Application of the Connecticut Water Company to Dispose of Approximately 2.2 Acres of Unimproved Land Located at 121 Torrington Avenue, Canton, Connecticut	9/14/2022
22-04-01	Application of Aquarion Company, Aquarion Merger Company II, LLC and The Torrington Water Company for Approval of Change in Control	9/28/2022
22-08-18	Application of Aquarion Water Company to Dispose of 4.69 Acres of Unimproved Real Property Located at 5 Old Turnpike Road, Bethel, Connecticut	11/23/2022
12-07-07WI17	Application of Hazardville Water Company for a Water Infrastructure Conservation Adjustment Semi Annual Filing Report	12/21/2022

A comprehensive list of PURA 2022 decisions is available in Appendix 2, attached to this Report.



SECTION 6: THE TELECOMM. & UTILITY POLE SECTOR

4.7M COMMUNICATIONS LINES | 19 2022 DOCKETS

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 4 and overseen by the Authority, ensures that excavations related to underground telecommunications facilities are done safely and in coordination with other relevant utilities.

KEY TELECOMM & UTILITY POLE TOPICS IN 2022

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. Throughout 2022, the Authority made progress in advancing both below- and above-ground broadband infrastructure deployment, as demonstrated below.

Below-Ground Broadband Infrastructure

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. Following a Technical Meeting and Hearing held in August and September 2022, respectively, PURA issued a proposed final decision on January 10, 2023. The Authority anticipates that a final decision will be approved on February 8, 2023, and will establish 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).

Above-Ground Broadband Infrastructure

The Authority also made significant progress in 2022 in adopting policies to promote above-ground broadband infrastructure deployment. Specifically, PURA approved a process for improving the pole attachment process for above-ground broadband and advanced telecommunications infrastructure in Docket No. 19-01-52RE01, PURA Investigation of Developments in the Third-Party Pole Attachment Process - Make-Ready. Before the decision in this docket was issued on May 11, 2022, Connecticut was operating under a 90-day process for preparing existing utility poles for new, third-party broadband and telecommunications attachments.

Though the original 90-day process was designed to allow enough time for efficient attachment of third-party infrastructure to existing poles, over time a significant backlog of pole attachment applications had accrued – particularly during the “Engineering Phase” of the process. To address this, the Authority approved an optional process for attachers to utilize pre-approved contractors to perform all Engineering Phase work and to submit the application to the single pole administrator (SPA) for review, as described in the Authority’s Decision dated May 19, 2021 in Docket No. 19-01-52, [PURA Investigation of Developments in the Third-Party Pole Attachment Process.](#)[1]

Docket No. 19-01-52 also uncovered a number of additional matters in need of further investigation to reduce delays. As a result, PURA opened Docket No. 19-01-52RE01, [PURA Investigation of Developments in the Third-Party Pole Attachment Process – Make Ready.](#) on June 3, 2021. This reopener specifically focused on establishing a new attachment application process, investigating cost allocation among the various parties involved in the attachment process, and addressing small cell antennas and wireless attachments in the self-help framework.

On [May 11, 2022, PURA issued its final decision](#) in the re-opened proceeding, which finalized and approved a new “One-Touch-Make-Ready” process, reducing the overall timeline from 90 days to between 43 and 58, in line with Federal Communications Commission timelines. The decision also modified the application fee structure, updated the timelines for processing applications, and established an accelerated dispute resolution process.

These decisions are critical, not only because they improve the existing pole attachment processes, but because they will help facilitate the deployment of necessary internet services to those in most need. As an example, DEEP noted in Docket No. 19-01-52RE01 the \$20 million in American Rescue Plan Act (ARPA) funding it received to expand broadband to underserved and low-income communities. Continued delays in the pole attachment process would inhibit the ability to deploy those funds and unnecessarily delay or reduce the benefits realized by those communities.

Broadband Infrastructure Related Resources

- [Public Act 21-159, An Act Concerning Equitable Access to Broadband](#)
- [19-01-52RE01 Third Party Pole Attachment Decision](#)
- [Ongoing Conduit Excavation Docket](#)

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.

In 2022, PURA issued two decisions addressing utility pole safety: [Docket No. 21-11-05](#), PURA Investigation into Complaint regarding Unsafe Utility Poles in Avon and Simsbury, and Docket No. 21-07-29, [Single Visit Transfer Process for Double Poles](#). Both decisions help to streamline the process of removing structurally compromised poles and placing a new one in service as quickly as possible.

Structurally Compromised Poles

Docket No. 21-11-05 was initially launched in response to a request from PURA's EOE to both investigate whether certain broken or damaged utility poles in Simsbury and Avon, Connecticut posed a danger to public safety, and to establish a standardized process for pole custodians to evaluate the structural integrity of a broken or damaged pole. Prior to this proceeding, each pole custodian (e.g., Eversource, UI, Verizon, Frontier, etc.) identified structurally compromised utility poles using their own internal processes, which varied between companies. Accordingly, the Authority found that a standardized process was needed to ensure that all pole custodians address structurally compromised poles in a consistent and reliable manner. This would also allow the Authority to provide more timely information to individuals who submit complaints regarding potentially structurally compromised poles. Thus, on July 6, 2022, PURA issued a decision establishing a process that results in all poles identified as potentially structurally compromised being inspected within 48 hours of the complaint being filed, and the status of the pole updated shortly after the inspection of the pole. Additionally, the decision requires the replacement of all poles identified as structurally compromised within 10 days of the initial complaint being filed either directly with the pole custodian or EOE.

Double Poles

Docket No. 21-07-29 addressed a related issue known as "double poles" that results 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.

As such, PURA initiated this proceeding to establish a “single visit transfer” (SVT) process. The Authority directed the Policy Working Group established by the May 11, 2022 Decision in Docket No. 19-01-52RE01 to propose a resolution to the double pole issue by September 15, 2022. Subsequently, on [December 21, 2022, the Authority approved](#) an SVT Pilot Program to be implemented over a six-month period in six communities around the state. This pilot will be implemented using 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.

The Authority is hopeful that the implementation of the SVT Pilot Program will lead to an efficient, practical, and long-term solution to double pole removal throughout the state. The Authority has directed EOE to report progress made, lessons learned, and any modifications every six months over the course of 2023. Additionally, in order to ensure that double poles continue to be removed in towns outside the pilot towns, PURA continues to require pole custodians to remove:

1. All double poles within eighteen months starting from the time a new pole was installed or within six months after all facilities have been shifted, whichever is earlier; and
2. Double poles located along high traffic roadways within twelve months of installation of a new pole or six months after transfer of facilities, whichever is earlier.

Failure of pole custodians to comply with these rules may subject them to civil penalties pursuant to Conn. Gen. Stat. § 16-41(a). Further, the Authority has discretion to prescribe a civil penalty of up to \$10,000 for each offense, where in the case of a continued violation, each day thereof shall be deemed a separate offense. As the backlog of double poles has long since become untenable, the Authority will carefully monitor for compliance with

the above timelines in 2023.

Last, the Authority will continue to implement a 45-Day Transfer Standard for attachers, requiring them to transfer their attachments within 45 days. To enforce this, the Authority directed Pole Custodians to file a compliance filing every six months regarding delayed attachment transfers, which the Authority will use to determine whether civil penalties are necessary and appropriate.

Utility Pole Safety Related Resources

- [21-11-05 Unsafe Utility Poles Investigation Decision](#)
- [21-07-29 Double Poles Decision](#)
- [19-01-52RE01 Third Party Pole Attachment Decision](#)

[1] SPAs serve as the single point of contact for attachers and are responsible for receiving applications, overseeing the Engineering Phase, issuing make-ready estimates, collecting payments, coordinating make-ready work, and issuing pole attachment licenses.

2022 TELECOMM. & UTILITY POLE SECTOR DECISIONS

Docket Number	Title	Decision Date
21-04-06	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 - WHD SMAINST 550 CT	2/2/2022
21-11-12	Application of New Cingular Wireless PCS, LLC for Approval of a Construction Plan to Install Wireless Facilities Within the Public Rights-of-Way - Southport - Fairfield	3/2/2022
22-01-17	Application of MCImetro Access Transmission Services LLC - Customer Migration/ Exit Plan	3/9/2022
18-03-37	Application of MCImetro Access Transmission Services Corp. for Approval to Install Facilities Within Certain Public Rights-of-Way	3/23/2022
21-11-14	Application of New Cingular Wireless PCS, LLC for Approval of a Construction Plan to Install Wireless Facilities Within the Public Right-of-Way - Stamford	4/6/2022
22-03-14	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 - CHESHIRE SC04 CT	4/27/2022

Docket Number	Title	Decision Date
21-10-05	PURA Review of the State of Connecticut Telecommunications Relay Service 2022 - 2027	4/27/2022
21-10-13	Allocation of Public Educational and Governmental Programming and Education Technology Investment Account pursuant to Conn. Gen. Stat. § 16-331cc	4/27/2022
19-01-52RE01	PURA Investigation of Developments in the Third Party Pole Attachment Process - Make Ready	5/11/2022
21-07-28	OCC Request to PURA to Open Docket Re: PEG Access Consolidation Norwich & Old Lyme	5/18/2022
22-01-05	Annual Assessment Proceeding to Fund the Development and Administration of the Enhanced Emergency 911 Program - 2022	6/1/2022
21-07-26	The Public Utilities Regulatory Authority Annual Community Access Support Review	6/1/2022
21-11-05	PURA Investigation into Complaint regarding Unsafe Utility Poles in Avon and Simsbury	7/6/2022
22-02-10	2022 PURA Review of Connecticut Public Service Company Emergency Response Plans	8/31/2022
22-06-27	Application of New Cingular Wireless PCS, LLC for Approval of a Construction Plan to Install Wireless Facilities Within Certain Public Rights-Of-Way - Greenwich 420	10/26/2022

Docket Number	Title	Decision Date
21-07-29	Single Visit Transfer Process for Double Poles	12/21/2022
17-02-49	PURA Formalization of Small Cell Antenna Applicant Processes and Procedures to Construct Facilities in Connecticut’s Public Rights-of-Way	1/5/2022 1/26/2022 2/2/2022 2/9/2022 4/6/2022 4/6/2022 4/13/2022 4/27/2022 5/4/2022 5/18/2022 8/10/2022 8/10/2022 9/28/2022 9/28/2022 11/23/2022 12/21/2022
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	3/16/2022 3/16/2022 4/20/2022 9/7/2022 12/21/2022
19-02-28	Application of Crown Castle Fiber, LLC for Approval to Install Facilities Under and Over Certain Public Rights-of-Way	2/9/2022 2/23/2022 4/6/2022 6/1/2022 7/6/2022 9/21/2022 11/23/2022 11/23/2022

A comprehensive list of PURA 2022 decisions is available in Appendix 2, attached to this Report.

SECTION 7: 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 & 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 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 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 2022, staff reviewed nearly 7,750 licenses and certifications statewide, including but not limited to electric and water submetering applications, renewable generator certification ([Class I, II & III](#)), and electric supplier licensing applications and natural gas seller registrations:

- 7,623 Class I Renewable Energy Certifications
- 4 Class III Renewable Energy Certifications
- 10 Electric Submetering Applications
- 15 Water Submetering Applications
- 20 Natural Gas Seller Registrations
- 25 Wireless Facilities Within the Public Rights-of-Way (1 closed without approval) Applications
- 36 Installation of Wireline Facilities Under and Over the Public Rights-of-Way Applications
- 5 Telecom Certificates of Public Convenience and Necessity
- 1 Electric Supplier License Application
- 2 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 maintains 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 2022, a year where global and economic factors had a disruptive effect on energy markets, EOE staff supported thousands of customers 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 2022.

Over the past year, the 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 twelve supplier enforcement actions, amounting to over \$9 million in settlement and customer restitution. Of this, approximately \$8.5 million has

been directed to either hardship arrearages for Connecticut's financially vulnerable customers or [Operation Fuel](#); additionally, half of a million dollars were directed toward customer refunds.

These settlements were part of investigations into marketing actions as well as settlements for compliance violations and resulted in the relinquishment of 14 Supplier Licenses (some of which were portions of settlements).

As part of continued efforts to monitor supplier actions, in 2022, EOE:

- Streamlined and provided inputs to the Annual Renewable Portfolio Standards (RPS) program, among other efforts, through Docket No. 22-06-01, Annual Review of Connecticut's Electric Suppliers' and Electric Distribution Companies' Compliance with Connecticut's Renewable Energy Portfolio Standards in the Year 2021.
- Drafted the report to the legislature on suppliers, supplier licensing, and submetering applications for 2022 in Docket No. 21-11-01, Annual Report to the Legislature – The State of Electric Competition, and began work on the 2023 report in Docket No. 22-11-01, 2022 PURA Report to the General Assembly Regarding the State of Electric Competition.
- Contributed to Docket No. 17-12-03RE11, PURA Investigation into Distribution System Planning of Electric Distribution Companies – New Rate Designs and Rates Review, and 18-06-02RE01, Two Year Review Requires Pursuant to Conn. Gen. Stat § 16-245 O(M), through research, analysis, and investigation for the implementation of a Low-Income Discount Rate (LIDR) in Connecticut, and the practices of suppliers that disparately impact low-income customers.

Additionally, EOE negotiated a \$3 million settlement with the AVANGRID family of companies (United Illuminating, Connecticut Natural Gas and Southern Connecticut Gas) for violations related to failing to correctly inform low-income customers of payment protections during the COVID-19 pandemic and unlawful gas marketing practices. Of this, \$2.7M will be used to pay down overdue balances for hardship customers. The remaining \$300,000 was shared among stakeholder and advocacy organizations for utility education programs serving low-income consumers. Table 8 summarizes EOE's settlements through 2022.

Table 8: 2022 EOE-Facilitated Settlements

Entity	Settlement/ Restitution	Docket No.	Docket Title	Comment
Summer Energy Northeast, LLC	\$1,250.00	13-11-04	Application of REP Energy for Electric Supplier License	Settlement after NOV; donation to Operation Fuel
Constellation New Energy, Inc.	\$17,000.00	06-07-11	Application of Constellation New Energy for Expansion of its Electric Supplier License	Settlement after NOV; donation to Operation Fuel
Spark Energy, L.P.	\$41,953.03	10-06-18 RE03	Application of Spark Energy, L.P. for an Electric Supplier License - Investigation into Marketing, Billing, and Enrollment Practices and Notification Compliance	Settlement without NOV; donation to Operation Fuel and restitution to customers
Atlantic Energy MA, LLC	\$1,000,000	18-09-14 RE02	Application Of Discount Power, Inc. For An Electric Supplier License	Settlement after NOV and initial court ruling; payment to EDCs toward hardship arrearages (80/20 split)
Major Energy Electric Services, LLC	\$15,312.50	14-03-03	Application Of Major Energy Electric Services, LLC For an Electric Supplier License	Settlement without NOV; restitution to customers

Think Energy, LLC	\$10,458.22	11-10-14	Application Of GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy for an Electric Supplier License	Settlement without NOV; restitution to customers
Public Power, LLC	\$3,000,000	07-06-13	Application Of Public Power, LLC f/k/a Public Power & Utility, LLC For an Electric Supplier License	Settlement without NOV; payment to EDCs toward hardship arrearages (80/20)
Verde Energy USA, Inc.	\$1,959,975.44	09-06-08	Application of Verde Energy USA, Inc. fka Verde Energy Savings for an Electric Supplier License	Marketing investigation donation to hardship arrearages, restitution to customers served at a rate above standard service and enrolled after May 1, 2019, and \$100 bill credit to each current customer served at a rate below standard service
Think Energy, LLC	\$5,000.00	11-10-14	Application of GDF Suez Retail Energy Solutions, LLC dba Think Energy for an Electric Supplier License	Penalty for misalignment between website and Rate Board; paid to Operation Fuel
Eligo Energy CT, LLC	\$3,030,727.11	14-09-11	Application of Eligo Energy CT, LLC for an Electric Supplier License	Marketing investigation resulting in donation to hardship arrearages and restitution to customers; pre-NOV

<p>Southern Connecticut Gas Company, Connecticut Natural Gas Corporation, The United Illuminating Company</p>	<p>\$3,000,000</p>	<p>20-03-15 & 21-08-24</p>	<p>Emergency Petition of William Tong, Attorney General for the State of Connecticut for a Proceeding to Establish a State of Emergency Utility Shut-off Moratorium; Petition of William Tong, Attorney General for the State of Connecticut, and The Office of Consumer Counsel for an Investigation into Eversource Energy Regarding Gas Expansion Marketing</p>	<p>Settlement Agreement-- (\$300,000 paid in equal parts to Operation Fuel, Inc., Connecticut Legal Services, Inc. and Center for Children's Advocacy, Inc., and \$2,700,000 to pay down arrearages of Companies' hardship customers)</p>
<p>TOTAL</p>	<p>\$12,063,426.17</p>			

Additional dockets brought to decision or administration by EOE this year, include:

- Docket No. 21-10-13, Allocation Public Educational and Governmental Programming and Educational Technology Investment Account pursuant to Conn. Gen. Stat. § 16-331cc:
 - PURA awarded Public, Educational and Governmental Programming and Education Technology Investment Account (PEGPETIA) grants. The amount of funding in the PEGPETIA account available for distribution in 2021 was \$2,607,129. Pursuant to Conn. Gen. Stat. § 16-331cc(b), fifty percent (50%) of this amount is to be available for “local community antenna television and video advisory councils; the state-wide video advisory council; public, educational and governmental programmers and public, educational and governmental studio operators and 50% for “public, educational and governmental” projects. The Authority received 97 qualifying applications for PEGPETIA funds; 42 seeking funds for “public, educational and governmental” projects and 55 were seeking funds for “education technology initiatives”. PURA awarded \$1,303,565 to qualifying applications of both

types, for a total disbursement of over \$2.6 million. PURA established Docket No. 22-10-02 for the next round of PEGPETIA grants.

- Docket No. 21-10-05, PURA Review of the State of Connecticut Telecommunications Relay Service 2022-2027:
 - After a competitive solicitation process, PURA awarded the contract to provide Telecommunications Relay Service in Connecticut to Hamilton Relay, Inc (Hamilton). TRS enables telephone communication between a hearing or speech impaired person using a Text Telephone (TTY) or a Telecommunications Device for the Deaf (TDD) and persons using a telephone for voice communications. Currently, relay service also enables communication between a hearing and speech-impaired person via the telephone network and customers with mobile devices or computers. In addition, Hamilton subcontracted with Solix, Inc. to provide the billing and collection functions. Telecommunications providers offering service in Connecticut are assessed their proportionate share of the cost for providing intrastate Telecommunications Relay Service. This docket is reopened every 5 years to review proposals and choose a TRS provider.
- Rate Cases: EOE supported efforts in the Aquarion and United Illuminating rate cases (Docket No. 22-07-01 and Docket No. 22-08-08) 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.

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 ten 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.

In 2022, the Education & Outreach Unit responded to over 12,700 complaints and inquires. As a result of complaint resolution, EOE was able to secure the return of over \$100,000 to customers, demonstrated by Tables 9 and 10 below:

- PURA Utility Complaint Scorecard Data Types**
- Billing
 - General Complaint/Quality of Interaction
 - Installation
 - Meter Test
 - Outage
 - Payment Arrangement
 - Quality of Service
 - Deposit
 - Slamming
 - Termination

Table 9: 2022 Customer Complaints and Inquiries by Industry

Industry Type	Quantity*
Community Antenna Television	4462
Electric	2633
Natural Gas	1100
Gas Reseller	2
General Info	2281
Suppliers/Electric Aggregators	812
Telephone	899
Telephone Other	209
Video Service Provider	154
Water	188
TOTAL	12,740

*Data available through 12/20/2022

Table 10: 2022 Customer Complaints and Inquiries by Industry

Industry Type	Quantity*
Community Antenna Television	4462
Electric	2633
Natural Gas	1100
Gas Reseller	2
General Info	2281
Suppliers/Electric Aggregators	812
Telephone	899
Telephone Other	209
Video Service Provider	154
Water	188
TOTAL	12,740

*Data available through 12/20/2022

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.

EOE also led the formation of 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. The Working Group was established to address programmatic improvements and emerging issues regarding utility vegetation management for the maintenance of distribution lines. The working group will evaluate current practices and make recommendations as needed for legislative, regulatory, or other improvements, and produce annual reports for PURA as per the final decision dated August 31, 2022 in Docket No. 17-12-03RE08.

EOE also serves as the facilitator of the 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.

SECTION 8: LEGISLATIVE UPDATES

Updates on 2022 Legislation

In 2022, 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, the progress made since their passage, and any next steps planned.

Table 11: 2022 Legislation Relevant to PURA

Act	Title	Tasks Assigned to PURA	Effective Date	Progress	Next Steps
Public Act 22-08	AN ACT ESTABLISHING A TASK FORCE TO STUDY HYDROGEN POWER	Directs the Chairman of PURA, or her designee, to participate in a Task Force to study hydrogen-fueled energy in the state's economy and energy infrastructure.	5/23/2022	PURA has been an active participant in the Task Force, serving as the co-chair of the Policy & Workforce Development Working Group with DEEP.	The Task Force submitted its report by the statutory due date of January 15, 2023
Public Act 22-29	AN ACT CONCERNING PUBLIC HEALTH CONCERNS IN THE ACQUISITION OF WATER COMPANIES	If PURA, in consultation with the Department of Public Health (DPH), determines that the costs to acquire and improve a water company are necessary and reasonable, it must order the water company to be acquired by the most suitable public or private entity.	10/1/2022	PURA will implement these requirements when presented with the relevant conditions.	PURA will implement these requirements when presented with the relevant conditions.

Act	Title	Tasks Assigned to PURA	Effective Date	Progress	Next Steps
Public Act 22-55	AN ACT CONCERNING ENERGY STORAGE SYSTEMS AND ELECTRIC DISTRIBUTION SYSTEM RELIABILITY.	Requires PURA to direct the EDCs to each submit up to three proposals for an energy storage pilot program no later than January 1, 2023. PURA shall approve or modify an EDC’s proposal if it concludes that investment in energy storage systems under the proposal is reasonable, prudent, and provides value to ratepayers. Requires, rather than allows, PURA to authorize EDCs to recover their prudently incurred costs and investments for these systems, but PURA must do so only through a contested case during the company’s next rate case.	10/1/2022	PURA initiated Docket No. 22-06-05 on June 8, 2022 to design the framework through which the EDCs will submit energy storage proposals to PURA. On September 14, 2022, PURA issued an Interim Decision formalizing that framework. In December 2022 the EDCs each submitted three proposals.	The Authority is in the process of evaluating the projects submitted by the EDCs. A full procedural schedule for this proceeding is forthcoming.
Special Act 22-11	AN ACT ESTABLISHING A SOLID WASTE MANAGEMENT WORKING GROUP	Directs the Chairman of PURA, or her designee to participate in a working group to study and make recommendations related to solid waste management in the state. PURA was further tasked with specifically studying the potential pricing of electricity generated by Waste-to-Energy (WTE) facilities and potential contract structures to support WTE electricity purchases and sales.	5/24/2022	PURA initiated Docket No. 22-10-07 to investigate potential WTE electricity pricing and contract structures. The Authority issued its findings in a Proposed Report on Jan. 10, 2023.	PURA is reviewing Written Comments submitted by docket Participants and stakeholders for consideration in the Final Report. The Final Report is expected to be issued and transmitted to the state legislature’s solid waste working group on February 13, 2023.

Act	Title	Tasks Assigned to PURA	Effective Date	Progress	Next Steps
Public Act 22-14	AN ACT CONCERNING CLEAN ENERGY TARIFF PROGRAMS	Expanded the program caps and maximum project sizes for both NRES and SCEF. Also increased the percentage of participation required from LMI customers in SCEF. Also requires the Authority to monitor the competitiveness of any procurements authorized by Conn. Gen. Stat. § 16-244z(c) (1)(A) and allows it to adjust the annual purchase amount within a larger range to maintain competitiveness. Any megawatts within that expanded range not allocated in any given year shall roll into the next year's available megawatts.	10/1/2022	PURA opened its annual review of the Non-Residential Renewable Energy Solutions (NRES) Program in Docket No. 22-08-03 on July 14, 2022, and indicated that it would address the changes to the tariff programs implemented by Public Act 22-14. On November 9, 2022, PURA issued a Decision in that docket that concluded that utilizing the full megawatt capacity authorized by Public Act 22-14 was appropriate, and that any unused capacity should be rolled over to the medium and large zero emission projects in the subsequent year.	These changes will be implemented in the 2023 Program Year.
Special Act 22-23	AN ACT CONCERNING A STUDY OF COMMUNITY ACCESS PROGRAMMING OPERATIONS	Requires PURA to conduct a study regarding the operations of certified third-party nonprofit organizations responsible for community access operations and facilities. Such study shall include, but need not be limited to, a review of community access operations and current funding structures for both community access organizations' operational and capital needs.	5/31/2022	PURA initiated Docket No. 22-06-26 on June 29, 2022 to prepare a study of the operations of certified third-party nonprofit organizations responsible for community access operations and facilities.	The Authority has issued interrogatories and requested written comments from stakeholders. Before submitting its report to the Energy & Technology Committee on or before December 15, 2023, the Authority will hold a Technical Meeting and will issue a draft report.

Act	Title	Tasks Assigned to PURA	Effective Date	Progress	Next Steps
Public Act 22-20	AN ACT CONCERNING CERTAIN MODIFICATIONS TO GAS PIPELINE PROCESSES	Expands PURA's authority over certain gas entities and aligns it with federal standards. Specifically, if there is an immediate, life-threatening hazard resulting from a willful violation of the Call Before You Dig laws or their related regulations, PURA's commissioners must immediately notify the entity responsible for the project about the hazard and violation.	10/1/2022	PURA will implement these requirements when presented with the relevant conditions.	PURA will implement these requirements when presented with the relevant conditions.

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 2022 are available in Table 12 below.

Table 12: 2022 PURA Reports to the State Legislature

Report Title	Codifying Act	Docket Number	Submission Date	Due Date
2022 PURA Report to the General Assembly Regarding the Electric Efficiency Partners Program	Public Act 07-242	21-12-08	2/9/2022	2/15/2022
2022 PURA Report to the General Assembly Regarding the State of Electric Competition	Public Act 17-64	22-11-01	3/24/2022	4/1/2022
2022 PURA Report to the General Assembly Concerning Lost and Unaccounted for Gas	Public Act 14-152	22-01-14	6/22/2022	7/1/2022

Report Title	Codifying Act	Docket Number	Submission Date	Due Date
2022 PURA Review of Connecticut Public Service Company Emergency Response Plans	Public Act 12-148	22-02-10	8/31/2022	9/1/2022
2022 PURA Report to the General Assembly on Electric Distribution Company System Reliability	Public Act 98-28	22-08-16	12/21/2022	1/1/2023

SECTION 9: STATUS OF DECISIONS IN APPEAL

The Decision Appeal Process

All Authority decisions are based upon robust evidence gathered through the docket process, which includes discovery, hearings, written and verbal comments and testimony, interrogatories, and more. Authority staff with technical expertise in finance, accounting, engineering, economics, policy, and law are assigned to each docket to ensure that the record of that docket is substantial and sufficient to issue sound decisions. However, on occasion, a party to a PURA docket will disagree with a finding or statutory interpretation of the Authority; in these cases, the party may choose to appeal the decision to the Superior Court, pursuant to the limitations of the Uniform Administrative Procedure Act. Importantly, parties filing an appeal of a decision issued by PURA are only allowed to appeal on issues that were raised during the proceeding or were addressed in the final decision.[1] This must be completed within forty-five days after issuance of the final decision.

Once an appeal is filed, it is the Superior Court's responsibility to review the record used to issue the decision and determine whether the party appealing the decision's rights have been violated because the decision:

1. Is in violation of constitutional or statutory provisions;
2. Is in excess of the statutory authority of the agency;
3. Was made through unlawful procedure;
4. Was affected by other error of law;
5. Is clearly incorrect in the view of the reliable, probative, and substantial evidence on the whole record; or
6. Is arbitrary or characterized by the unwarranted exercise of discretion.[1]

Should the Superior Court find any of the above to be true, it may issue a judgement that modifies the original decision or orders a particular agency action.[2] If the Superior Court rules in favor of the Authority, the original appealing party may attempt to appeal that decision through the Appellate Court and/or Supreme Court if appropriate.

PURA Decisions in Appeal

In 2022, nine of PURA’s decisions were in some stage of an appellate process. Further details on these appeal processes are provided in Table 13 below.

Table 13: Status of PURA Decisions in Appeal during 2022

Appellant	Docket No.	PURA Decision Date	Issue	Significance	Status
Direct Energy Services, LLC et al.	16-12-29	10/21/2020	Certain electric suppliers appealed order that prohibits voluntary renewable offers (VROs) from containing RECs sourced outside ISO-NE, PJM, and NYISO, and establishes certain marketing restrictions, among other things.	In 2005, PURA established a Clean Energy Options Program to enable consumers to procure renewable energy above the state's minimum renewable energy requirement. Voluntary Renewable Offers (VROs) are products offered by electric suppliers with RECs in excess of the state minimum RPS requirements. This case is an appeal by certain electric suppliers of a 2020 PURA decision that imposes restrictions on the VRO market to minimize customer confusion and to align the VRO program with the state's energy and environmental goals. The Superior Court rejected the supplier's arguments and affirmed the Authority's decision; however, the suppliers have sought review of the lower court's decision. The case has important implications on the Authority's ability to regulate the VRO market to be consistent with state goals.	PURA prevailed on all issues before the Connecticut Superior Court. Direct Energy appealed the favorable ruling in which the Superior Court affirmed PURA’s decision administering voluntary renewable options. The case has been transferred to the Connecticut Supreme Court where it has been fully briefed and argued.

Appellant	Docket No.	PURA Decision Date	Issue	Significance	Status
GenConn Energy LLC	21-06-28	12/8/2021	PURA approved GenConn's 2022 revenue requirement based on an actual 75/25 debt to equity ratio, reducing by \$5M the requested revenue.	Each year, the Authority must approve a reasonable revenue requirement for GenConn's peaking power plants using a cost-of-service model. Similar to the 2021 revenue year, the Authority determined that GenConn's cost of capital was being incorrectly calculated by several million dollars to the detriment of ratepayers. The Authority addressed this issue by applying standard cost-of-service methodologies using an actual debt to equity ratio of 75/25. The result was a substantial decrease in the revenue requirement. This case is significant because it will affect the Authority's ability to ensure that rates are just and reasonable.	This is an administrative appeal that is fully briefed and awaiting oral argument before the Connecticut Superior Court.
GenConn Energy LLC	20-06-14	12/23/2020	PURA approved GenConn's 2021 revenue requirement based on an imputed 50/50 debt to equity ratio, reducing by \$3M the requested revenue.	Each year, the Authority must approve a reasonable revenue requirement for GenConn's peaking power plants using a cost-of-service model. The Authority determined that GenConn's cost of capital was being incorrectly calculated by several million dollars to the detriment of ratepayers. The Authority addressed this issue by applying standard cost-of-service	On February 16, 2022, GenConn LLC appealed the favorable ruling in which the Superior Court affirmed PURA's decision setting the 2021 revenue requirements for GenConn. The matter is currently being briefed.

Appellant	Docket No.	PURA Decision Date	Issue	Significance	Status
				<p>methodologies but allowing GenConn an imputed 50/50 debt to equity ratio, notwithstanding an actual ratio of 75/25. The result was a substantial decrease in the revenue requirement. This case is significant because it will affect the Authority's ability to ensure that rates are just and reasonable.</p>	
GenConn Energy LLC	22-06-02	12/14/2022	<p>PURA approved a 2023 revenue requirement for GenConn using an actual 81/19 debt to equity ratio, reducing revenue by about \$8M per year.</p>	<p>Each year, the Authority must approve a reasonable revenue requirement for GenConn's peaking power plants using a cost-of-service model. Similar to the 2021 and 2022 revenue years, the Authority determined that GenConn's cost of capital was being incorrectly calculated by several million dollars to the detriment of ratepayers. The Authority addressed this issue by applying standard cost-of-service methodologies using an actual debt to equity ratio of 81/19. The result was a substantial decrease in the revenue requirement. This case is significant because it will affect the Authority's ability to ensure that rates are just and reasonable.</p>	<p>Timely appealed at the Superior Court. No schedule at this time.</p>

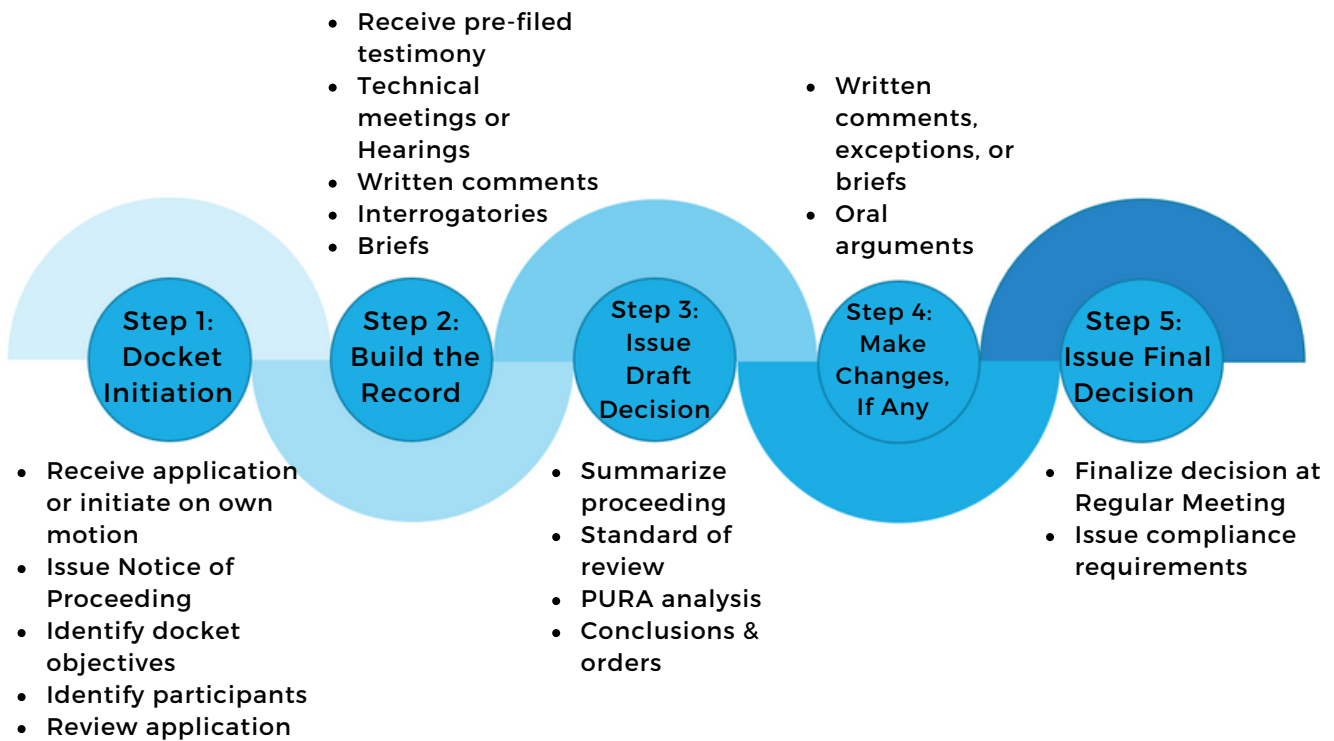
Appellant	Docket No.	PURA Decision Date	Issue	Significance	Status
Northland Investment Corporation	19-12-25	7/1/2020	PURA issued a declaratory ruling finding that ratio utility billing methodology (RUB) is not permitted under Conn. Gen. Stat. § 16-262e.	For decades, PURA has interpreted the statutes governing utilities as prohibiting consumers from being billed directly for estimated utility costs. Utility service must be metered and exclusive to the consumer for billing to occur. RUB would allow landlords to charge tenants for utilities based on estimations of usage.	On July 7, 2022, Northland appealed the favorable ruling in which the Superior Court affirmed PURA’s decision in the RUBs case. The matter was transferred to the Supreme Court where it is awaiting a briefing schedule.
Eversource Energy	21-01-03	9/15/2021	PURA disallowed the inclusion of \$17.2M catastrophic storm costs in the Electric System Improvement (ESI) tracker. PURA interpreted the 2018 settlement giving rise to the tracker as allowing recovery of forecasted core capital improvements, which exclude one-time catastrophic storm costs. In addition, the Authority used the prime rate, rather than WACC, to calculate certain carrying costs.	This case involves the Authority's ability to interpret and implement cost recovery programs.	The Superior Court affirmed PURA on the ESI side of the case, and remanded on the carrying cost side of the case. PURA intends to issue a supplemental decision in March 2023 to address the remand. Eversource appealed the Superior Court’s favorable ruling regarding the removal of catastrophic storm costs from the ESI.

Appellant	Docket No.	PURA Decision Date	Issue	Significance	Status
United Illuminating	20-08-03 and 20-08-03 RE01	7/14/2021	After finding UI's storm response was deficient in several areas, PURA imposed a civil penalty of \$1.3M for non-compliance with performance standards and accident reporting requirements and ordered a 15 basis point ROE reduction in UI's next rate case to incentivize management to focus on improved storm response performance by UI moving forward.	This case involves the Authority's ability to hold utilities accountable for deficient storm preparation and response.	The Superior Court's ruling affirmed PURA's decision on all counts. UI filed a notice of appeal, with preliminary papers requesting a transfer to the Supreme Court.
United Illuminating	22-01-04	8/17/2022	PURA's RAM decision reduced the revenue decoupling mechanism revenue requirement by \$5.2m. PURA found that UI had improperly excluded certain revenues from its actual total revenue calculation. In addition, PURA noted that UI's failure to make an accounting treatment change related to TAC may have been imprudent.	This case involves the Authority's review of a reconciliation mechanism, and the Authority's ability to ensure such mechanisms are implemented properly.	UI appealed the Authority's decision, and the matter is pending before the Connecticut Superior Court at this time.
Yankee Gas	21-08-24	4/27/2022	PURA ordered LDCs to apply surplus non-firm margin (NFM) revenues to capital infrastructure investments. Yankee appealed arguing that this deprives it of a return on its investment.	This case involves the Authority's ability to allocate NFM in the best interest of ratepayers.	PURA filed an initial answer to the appeal on November 4, 2022 and the record on November 7, 2022. Yankee's initial brief is currently due on February 6, 2023. PURA and OCC briefs due 90 days later.

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 must accurately reflect 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, the evidence presented, and the standing of the stakeholder in the PURA docket. 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; however, 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 a request for exception 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 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 10:00am 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](#).