

# PURA Quarterly Newsletter

**2023**

**Q1**



Public Utilities Regulatory Authority

# PURA Outlook

**April 4, 2023**

The first quarter (Q1) of 2023 was marked by significant activity related to one of the Public Utilities Regulatory Authority's (PURA or the Authority) core functions: distribution rate cases. PURA is statutorily charged with conducting an adjudicated proceeding, called a "rate case," to investigate any application submitted by a regulated utility to raise their base distribution rates.

As of the beginning of Q1, PURA had two rate cases before it: one for the Aquarion Water Company of Connecticut (Aquarion) in Docket No. 22-07-01; and one for The United Illuminating Company (UI) in Docket No. 22-08-08. Throughout the last three months, PURA staff reviewed thousands of pages of testimony, written comments, and interrogatory responses both in preparation for the Evidentiary Hearings for UI's rate case and the finalization of a Decision in Aquarion's rate case. Occurring over five weeks and lasting more than a hundred hours in total, the March 2023 UI Evidentiary Hearings were a vital step in the development of a fair and balanced Decision that will be issued later this summer.

Concurrently, PURA staff issued a draft decision in the Aquarion rate case on February 16, 2023, followed by the Final Decision on March 15, 2023. The Final Decision determined that Aquarion failed to meet its burden of demonstrating that its request for an increased revenue requirement and return on equity (ROE) were just and reasonable, and in the public interest. The Authority therefore approved a lower revenue requirement and ROE that will reduce customers' bills from current rates rather than increase them, as proposed by Aquarion.

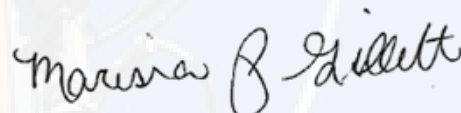
Rate cases are an important opportunity to not only ensure that the public utilities are meeting their legal obligation to provide safe, reliable, and affordable service to all customers, but also to protect ratepayers from paying for costs that have not been sufficiently justified by the company. Because rate case investigations are so comprehensive, they remain the Authority's primary tool to accomplish these responsibilities.

However, other regulatory mechanisms that support, enhance, and supplement rate cases are also necessary to ensure that utility service and performance are not just meeting their legal obligation to serve, but are doing so in a way that maximizes the benefits to ratepayers. To accomplish this, PURA has been designing a performance-based regulatory framework (PBR Framework) to better align utility performance with the public interest and the desired outcomes of Connecticut's electric grid, including but not limited to reliability, safety, affordability, emergency responsiveness, utility operations and cost efficiency, comprehensive and inclusive planning, equity, customer empowerment, participation, and satisfaction, service quality, resilience, and the advancement of the state's environmental and climate policy goals.

On January 25, 2023, PURA issued its Proposed Final Decision recommending a set of four regulatory goals and nine priority outcomes to guide the remainder of PURA's process to establish a comprehensive PBR Framework, called "Phase 2." The Proposed Final Decision also outlines an ambitious plan to finalize portions of the PBR Framework in Phase 2 by mid-2024.

The Authority is committed to increased public participation in Phase 2. You will see these redoubled efforts to encourage and elicit direct stakeholder engagement starting in Q2 of 2023. PURA looks forward to working with stakeholders to develop and implement a PBR Framework that will reform legacy regulatory structures and enable a modern electric grid.

**Learn more about  
PURA's March 15,  
2023 Aquarion  
Rate Case  
Decision**



**Marissa P. Gillett**  
Chairman

# Q1 Docket Decisions



## ELECTRIC SECTOR

- 22-06-01 - 2021 Annual RPS Compliance Review (Errata)
- 22-11-01 - 2022 Annual Report Regarding the State of Electric Competition
- 22-10-05 - Petition of Sunnova for a Declaratory Ruling Regarding Ownership of Capacity Rights Regarding Class I Renewable Energy Sources Participating in the Resi. Renewable Energy Solutions Program
- 21-03-01 & 20-03-01RE01 - Supplemental Decision Regarding the Final Decision in Docket No. 21-01-03



## GRID MODERNIZATION

- 22-08-02 - Annual Resi. Renewable Energy Solutions Review - Year 2
- 23-02-02 - 2023 Annual Report Regarding the Electric Efficiency Partners Program
- 22-08-01- 2022 Clean and Renewable Energy Program Data & Report



## WATER SECTOR

- 22-07-01 - Application Of Aquarion Water Company of Connecticut to amend its Rate Schedule
- 21-12-30WI05 - Application of The Connecticut Water Company for a Water Infrastructure Conservation Adjustment Semi-Annual Filing
- 10-05-01WI26 - Application of Torrington Water Company for a Water Infrastructure & Conservation Adjustment



## GAS SECTOR

- No gas decisions this quarter. Proceedings ongoing.



## TELECOMM SECTOR (+ UTILITY POLES)

- 21-12-21 - PURA Implementation of Process and Procedures for Conduit Excavations for Telecommunications Service Providers and Broadband Internet Access Service Providers



# Electric Sector

## Q1 Major Decision Summaries

### 22-06-01

#### 2021 Annual RPS Compliance Review - Errata

- This errata decision corrects the Final Decision issued on 11/23/2022 due to discovery by the Authority's Office of Education, Outreach & Enforcement. The Errata Decision determined that Wattifi Inc. purchased the correct amount of Class I, II, and III RECs, instead of a surplus as calculated by Wattifi.

### 21-03-01 & 20-03-01RE01

#### Supplemental Decision Regarding the Final Decision in Docket No. 21-01-03

- This is a supplemental decision that the Authority issued following an appeal by The Connecticut Light and Power Company d/b/a Eversource Energy to the Superior Court and the Court's subsequent remand order.
- In the supplemental decision, the Authority further explains the determinations made in the docket's appealed Final Decision regarding the calculation of carrying charges for certain rate adjustment mechanisms.
- The decision addresses the history of the application of the weighted average cost of capital to carrying charges and the transition to the use of the prime rate. Ultimately, the supplemental decision provided further explanation related to the application of the prime rate and did not modify the conclusions of the Authority or the orders in the underlying Final Decision.

### 22-10-05

#### Petition of Sunnova for a Declaratory Ruling Regarding Ownership of Capacity Rights Regarding Class I Renewable Energy Sources Participating in the Resi. Renewable Energy Solutions Program

- Sunnova Energy Corporation petitioned the Authority for a declaratory ruling that Conn. Gen. Stat. § 16-244z(b)(2) prohibits the assignment of capacity rights under the tariff provisions of the RRES [RNI] program. In this ruling, the Authority determines that the RRES tariff provisions requiring the assignment of capacity rights are not prohibited by Conn. Gen. Stat. § 16-244z.

# Electric Sector

## Q1 Major Decision Summaries

**22-11-01**

**2022 Annual Report Regarding the State of Electric Competition**

- PURA provides this report on an annual basis to the Connecticut General Assembly. The report summarizes the state of electric competition by analyzing a variety of indicators, including the average generation service charge and the Standard Service generation rates for residential and business customers, to determine the market's effects on customers who participate.
- Among its findings, this report states that the number of customers choosing to receive service from a third-party supplier declined between 2013 and 2022. This decrease could be explained by several factors, including, but not limited to, a change in method of procuring standard service to allow it a more competitive rate or a diminishing differential between suppliers' charged rates versus standard service rates.



# Grid Modernization

## Q1 Major Decision Summaries

**22-08-02**

**Annual Residential Renewable Energy Solutions Review - Year 2**

- This Decision approves, with modifications, the proposed updates to the RRES Program submitted on December 14, 2022, in Motion No. 12. Motion No. 12 included a set of recommended changes to the RRES application process from the Application Process Working Group established by PURA. The approved changes will streamline the application process and better align the RRES Program with the program objectives.



# Grid Modernization

## Q1 Major Decision Summaries

### 23-02-02

#### 2023 PURA Report to the General Assembly Regarding the Electric Efficiency Partners Program

- This report is submitted to the General Assembly annually pursuant to Conn. Gen. Stat. § 16-243v(i) regarding the Connecticut Electric Efficiency Partners Program (EEP), which began in 2008.
- On October 19, 2019, PURA closed the open season request for EEP proposals and announced a future EEP Program would be designed through PURA's Equitable Modern Grid Framework.
- The resulting Innovative Energy Solutions (IES) Program launched its first solicitation on January 31, 2023. This Report addresses the EEP applications that were approved up until 2020, and describes the procedural activities that transpired through January 31, 2023, to establish and launch the IES Program.

### 22-08-01

#### 2022 Clean and Renewable Energy Program Data and Report

- This Decision issues both the 2022 Clean and Renewable Energy Program (CRE) Data and Report and approves changes to the annual data collection filing requirements of the regulated electric utilities for future CRE Program Reports. The approved changes improve and update the data collection requirements originally ordered by the February 23, 2022 Decision in Docket No. 17-12-03RE09. All future CRE Reports will be filed in dockets using the numbering convention XX-08-01, with "XX" denoting the last two digits of the year.



# Water Sector

## Q1 Major Decision Summaries

### 22-07-01

#### Application of Aquarion Water Company of Connecticut to Amend its Rate Schedule

- As a result of an extensive investigatory process, this Decision concluded that Aquarion Water Company failed to meet its burden of demonstrating that its requested revenue requirement and return on equity were just and reasonable.
- Accordingly, PURA approved a revenue requirement that is \$40 million lower than the Company's request and a reduced return on equity of 8.7%.
- The Authority's determination will decrease customers' bills beginning on March 15, 2023, by about 11% on average compared to current rates, or by approximately \$67 per year, inclusive of the reduction of the Water Infrastructure Conservation Adjustment (WICA) to \$0.
- Further information regarding this decision can be found in the [the Rate Case Summary](#).

### 20-12-30WI05

#### Application of The Connecticut Water Company for a Water Infrastructure Conservation Adjustment Semi-Annual Filing

- In this Decision, the Authority authorizes an incremental Water Infrastructure and Conservation Adjustment (WICA) surcharge of 3.07% for Connecticut Water Company (CWC or Company) associated with completion of 20 WICA-eligible projects with a total cost of \$27,775,268.
- The Company's cumulative WICA surcharge effective April 1, 2023, on a bills-rendered basis shall be 6.19%.
- The Authority also provisionally approves 21 new projects with an estimated cost of \$21.1 million as WICA-eligible.
- All 41 WICA-eligible projects discussed in this decision will be subject to a full prudence review at the time of the Company's next distribution rate proceeding.

# Water Sector

## Q1 Major Decision Summaries

### 10-05-01WI26

#### Application of Torrington Water Company for a Water Infrastructure & Conservation Adjustment

- In this Decision, the Authority authorizes an incremental Water Infrastructure and Conservation Adjustment (WICA) surcharge of 2.14% for Torrington Water Company (Torrington Water or Company) associated with the completion of seven WICA-eligible projects with a total cost of \$1,031,747.
- The Company's cumulative WICA surcharge effective April 1, 2023, on a bills-rendered basis shall be 9.96%. The Authority also provisionally approves 17 new projects with an estimated cost of \$7,179,175 as WICA-eligible.
- All 24 WICA-eligible projects discussed in this Decision will be subject to a full prudence review at the time of the Company's next distribution rate proceeding.

# Natural Gas Sector

## Q1 Major Decision Summaries

- No gas decisions this quarter. Proceedings ongoing.



# Telecomm Sector (+ Poles)

## Q1 Major Decision Summaries

21-12-21

Single Visit Transfer Process for Double Poles

- This Decision establishes an application and process for the construction of conduit excavations in the public highways, streets, or other public rights-of-way by telecommunications providers and broadband Internet Access Service Providers pursuant to Public Act 21-159, AAC Equitable Access to Broadband.
- It also establishes a process for coordinating conduit excavations and conditions for their approval.

[Click here for more information on how to participate](#)

# Q2 Upcoming Procedural Events



## Planned Procedural Meetings

Date	Docket No.	Docket Name	Event & Registration
4/4/2023	<a href="#">22-09-18</a>	Joint Application of the Town of New Hartford and Aquarion Water Company of Connecticut for Approval of the Transfer of Water and Wastewater System Assets	<a href="#">Hearing</a>
4/5/2023	<a href="#">17-12-03RE10</a>	PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Building Blocks of Resource Adequacy and Clean Electric Supply	<a href="#">Tech Meeting #4</a>
4/6/2023	<a href="#">23-01-39</a>	Investigation into the Response of The Connecticut Light and Power d/b/a Eversource Energy to the Accident on January 17, 2023, at 602 Greenwoods Road, Norfolk, CT	<a href="#">Hearing</a>
4/18/2023	<a href="#">22-11-03</a>	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 – WESTPORT	<a href="#">Hearing</a>
4/25/2023	<a href="#">22-06-05</a>	PURA Implementation of Public Act 22-55	<a href="#">Tech Meeting</a>
4/27/2023	<a href="#">23-01-32</a>	Investigation Into Eversource’s Manner of Operation and Safety Regarding its Underground Electric Distribution System	<a href="#">Hearing</a>

## Planned Procedural Meetings Continued

Date	Docket No.	Docket Name	Event & Registration
5/3/2023	<u>22-06-26</u>	PURA Study of the Operations of Certified Third-Party Nonprofit Community Access Programming Providers	Tech Meeting
5/31/2023	<u>23-01-04</u>	PURA Annual Review of the Rate Adjustment Mechanisms of The United Illuminating Company	Hearing (In Person)
6/1/2023	<u>23-01-04</u>	PURA Annual Review of the Rate Adjustment Mechanisms of The United Illuminating Company	Hearing (In Person)
6/6/2023	<u>23-01-03</u>	PURA Annual Review of the Rate Adjustment Mechanisms of The Connecticut Light and Power Company	Hearing (In Person)
6/7/2023	<u>23-01-03</u>	PURA Annual Review of the Rate Adjustment Mechanisms of The Connecticut Light and Power Company	Hearing (In Person)
6/13/2023	<u>23-01-04</u>	PURA Annual Review of the Rate Adjustment Mechanisms of The United Illuminating Company	Hearing (In Person)
6/15/2023	<u>22-06-05</u>	PURA Implementation of Public ACT 22-55	Tech Meeting
6/20/2023	<u>23-01-03</u>	PURA Annual Review of the Rate Adjustment Mechanisms of The Connecticut Light and Power Company	Hearing (In Person)
6/28/2023	<u>17-12-03RE10</u>	PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Building Blocks of Resource Adequacy and Clean Electric Supply	Tech Meeting

Click to see the PURA  
Calendar of Events:  
[Pre- 2018 dockets;](#)  
[Post- 2018 dockets](#)

## Planned Final Opportunities to Comment

Date	Docket	Docket Title	Event Type
4/20/2023	22-08-08	Application of The United Illuminating Company to Amend Its Rate Schedule	Briefs Due

## PURA Regular Meeting Dates & Planned Final Decisions

Regular Meeting Date	Docket No.	Docket Title
4/5/2023	18-06-02RE01	Two-Year Review Required Pursuant to Conn. Gen. Stat. § 16-245o(m)
	22-10-20	Application of Cellco Partnership d/b/a Verizon Wireless for Approval of a Construction Plan to Install Wireless Facilities Within Certain Public Rights-of-Way – SHELTON SC 14 CT
4/17/2023* (Special Mtg.)	23-01-03	PURA Annual Review of the Rate Adjustment Mechanisms of The Connecticut Light and Power Company
	23-01-04	PURA Annual Review of the Rate Adjustment Mechanisms of The United Illuminating Company
4/26/2023	21-05-15	PURA Investigation into a Performance-Based Regulation Framework for the Electric Distribution Companies
	22-09-09	Declaratory Ruling Regarding Request for Declaratory Relief For Telos Clean Energy, LLC d/b/a Telyon
5/3/2023	22-06-29	PURA Investigation Into Distributed Energy Resource Interconnection Cost Allocation – Non-residential Interconnection Upgrades

\*Subject to change, check each Docket's External Calendar. Alternative date is April 19, 2023.

**[Click here to file comments or other documents into a docket](#)**

## PURA Regular Meeting Dates & Planned Final Decisions Cont.

Regular Meeting Date	Docket No.	Docket Title
5/31/2023	23-01-06	Annual Community Access Support Review
	23-01-05	Annual Assessment to Fund the Development and Administration of Enhanced Emergency 911 Program
	22-10-02	Annual Allocation of Public Educational and Governmental Programming and Education Technology Investment Account Pursuant to Conn. Gen. Stat. § 16-331cc
6/21/2023	23-02-01	Annual Reconciliation of the Conservation Adjustment Mechanisms
	23-03-02	2023 PURA Report to the General Assembly Concerning Lost and Unaccounted for Gas

**[Click here to stream PURA's Regular Meetings](#)**

# PURA In the News

## 1/25/2023 CT News Junkie

[PURA Reaching Out for 'Innovative Energy Solutions'](#)

## 3/10/2023 Utility Dive

[Can utility regulators adopt Silicon Valley's 'fail fast' approach? A new Connecticut program may tell](#)

## 1/31/2023 CT Inside Investigator

[Legislators seek answers on rate hikes from PURA chair](#)

## 3/15/2023 Hartford Business Journal

[PURA rejects proposed rate by Aquarion, lowers customers for customers](#)

## 2/6/2023 Utility Dive

[CT PURA drafts a performance-based regulation system following utilities' storm response](#)

## 3/16/2023 Energy Storage News

[Connecticut utilities launch next 100MW tranche of 580MW customer-sited ESS procurement](#)

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