

Questions for the Public Utility Regulatory Authority Nominee

By: Mary Fitzpatrick, Principal Analyst March 17, 2025 | 2025-R-0034

Public Utilities Regulatory Authority (PURA)

PURA's commissioners are appointed by the governor with the legislature's advice and consent.

PURA regulates the rates and services of investor-owned utility companies, like Eversource, United Illuminating, Southern Connecticut Gas Company, and CT Water. Among other things, it also licenses the state's retail electric suppliers and conducts various studies and investigations into utility-related issues.

PURA is administratively within the Department of Energy and Environmental Protection (DEEP) but is funded through a charge paid by the companies it regulates.

Questions

- 1. Electric ratepayers felt a rate hike in the summer and policymakers have been talking about it ever since. Was it unavoidable? Are there lessons to be learned?
- 2. <u>Reporting in the Hartford Courant</u> has described "an angry standoff between the utilities and the regulators" that, some say if unresolved, "could hurt Connecticut's energy future by keeping the utilities from acting as essential partners as the state expands electrification to accommodate an anticipated explosion in computing driven by artificial intelligence." What is your response? Would you characterize the current situation as an angry standoff? Could this dynamic harm Connecticut's energy future?
- 3. What are the most impactful changes you have implemented or overseen in your tenure at PURA to change how utilities are regulated in Connecticut? How have these changes impacted the average ratepayer?

- 4. Standard service rates spiked in 2022 and 2023. A 2023 law required PURA to study the process for procuring power generation for standard service and supplier of last resort and <u>PURA published its findings</u> last February. How robust is the state's standard service procurement process in the face of future periods of volatility in the supply market?
- 5. Eversource announced its plan to sell Aquarion Water Company to the South Central Connecticut Regional Water Authority (RWA). By law, companies must apply for and receive PURA's approval to purchase a regulated water company through a process that requires PURA to consider certain factors (e.g., the applicant's financial, technological, and managerial suitability) (CGS § 16-47). Is PURA prepared to conduct this type of process? How meaningful is PURA's review of any applicant? If RWA purchases Aquarion, PURA will no longer regulate its rates. Does this aspect of the sale factor into PURA's determination?
- 6. Under your tenure, PURA has increased efforts to explain its work to the public. Newsletters, videos, and "PURA 101" presentations all seem aimed at increasing public knowledge of or participation in PURA proceedings. Is that the goal, and, if so, has it worked? Can an average person participate meaningfully in a PURA proceeding?
- 7. Gas and electric utilities have alleged that an unstable regulatory environment and rate case decisions that were unfavorable to them have led to credit downgrades that will make utility work more expensive in the future and ultimately negatively impact ratepayers. Are they wrong?
- 8. In your view, does Connecticut currently strike the right balance on protections for hardship customers (e.g., low-income households and people with severe illnesses)?
- 9. The state's renewable energy policies include (1) clean energy tariffs, which allow customers to benefit from on-site renewable energy; (2) energy procurements conducted by DEEP to provide stable funding for renewable projects; and (3) the renewable portfolio standard, which obliges utilities and suppliers to get a certain amount of their power from renewable sources. PURA's role in these policies varies, but how does the authority balance support for these programs in line with the state's energy strategies and carbon emissions goals with the ratepayer impact of providing this support?
- 10. Energy supply prices have been volatile in recent years. PURA does not regulate supply, but are there rate mechanisms that can smooth out these impacts so customers are not subject to sudden spikes?
- 11. A 2020 law required PURA to develop a framework for performance-based regulation (PA 20-5, September Special Session). Please describe the process PURA used to develop this framework and how performance-based regulation is affecting or will affect utility rates and utility performance.
- 12. A 2023 law made numerous changes to laws on utility regulation (<u>PA 23-102</u>). Among other things, it prohibited utilities from recovering certain costs through rates, including membership dues and trade association contributions; gifts; air travel for the company's board of directors; lobbying; and investor relations. Were these types of expenses previously

recoverable? Does this provision meaningfully change how rates are determined or is it simply conforming to practice?

- 13. PURA seems busy. How would you describe recent staff turnover? Does PURA have adequate staff for the tasks it has taken on or is PURA staff stretched too thin?
- 14. Two longstanding debates about PURA's structure have recently gained renewed attention: the number of PURA commissioners and PURA's location organizationally within DEEP. Do you have any comment on either of these debates?

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