

# PURA Presentation

February 5, 2019

Commissioners Jack Betkoski & Michael Caron  
CT Legislative Office Building

## The Public Utilities Regulatory Authority



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- Commissioner of DEEP is automatic Party to all of PURA Proceedings
- PURA is guided by DEEP's Comprehensive Energy Strategy
- PURA Decisions may be appealed to the Connecticut Superior Court

## PURA Commissioners

- Appointed by the Governor
- 4 year staggered terms
- Required approval from House and Senate
- Vote for Chair/Vice every June- 1 year terms
- Our process operates much like a Court

Jack Betkoski, Acting Chair



Michael Caron, Commissioner



## Who PURA Regulates

### Investor owned Water Companies


- Aquarion
- Connecticut Water
- Jewett City
- Numerous small water systems throughout CT

### Electric Distribution Companies

- Eversource
- United Illuminating

### Gas Local Distribution Companies

- Connecticut Natural Gas
- Southern Connecticut Gas
- Yankee Gas



## Who PURA Doesn't Regulate

- Metropolitan District Commission (MDC)
- CMEEC
- Municipally Owned Utilities
- Cable Companies (limited jurisdiction i.e. quality of service issues)
- Frontier (with some exceptions)



## PURA Teams

- Electric Sector Unit
- Multi-Sector Unit
- Advocacy and Regulatory Operations
- Procurement Division & Docket Control
- Office of Business & Consumer Affairs
- Legal Program



## PURA Specialties

- Consumer Unit
- Lawyers / Adjudicators
- Rate Specialists
- Engineers
- Accounting & Finance
- Electricity Procurement
- Gas Pipeline Safety Unit
- Case Coordinators



## Sample of Dockets

- Sub-metering Water/Electric
- Rate cases
- Quality of Service Issues
- Financing
- Suppliers
- Small Cell Deployment
- Standard Offer
- DEEP Renewable Procurement
- CPCNs License / Revocation
- License Telecom Carriers
- E-911
- Decoupling Review
- Enforce Federal Pipeline Regs
- Federal/Regional Issues
- Grid Mod
- TRS for Hearing Impaired
- Dispute Mediation
- Acquisition/Merger
- Storm Recovery
- Water Infrastructure Conservation Adjustment
- RAM
- PGA
- Distribution Integrity Management Program
- RPS Review
- Tariff Reviews
- Interconnections
- Lost and Unaccounted for Gas

## Rate Cases

PURA performs a "Bottom up" analysis of **all facets** of the utilities' plant, revenue and costs, **regardless of whether a case is settled or not.**

- Plant-in-Service Additions/Retirements/Transfers, Working Capital, Regulatory Assets/Liabilities, etc.
- Operating Income – Electric/Gas/Water Sales, Other Sales.
- Operating Expenses – Facilities maintenance, field operations, Payroll/Employee benefits, insurance, rent, income/property/payroll taxes, etc.
- Depreciation and Interest Expenses
- Rate of return on utility investments

## 17-05-42 SCG Rate Case Team Photo





## PURA Gas Pipeline Safety Unit

- Over 500 inspections/year by GPSU
- Over 200 Enforcement Actions in 2017-18
- Collected approximately \$1.5 million in civil penalties
- 811 Call Before You Dig (CBYD)
  - Over 600 reports of CBYD reports of damages and violations in 2017-18



## Electricity Markets & Distribution

- Oversight of CT's Investor Owned Electric Distribution Utilities
- Advocate on issues affecting the New England Wholesale Markets in regional stakeholder discussion and before the Federal Energy Regulatory Commission (FERC)
- Key state-jurisdictional markets for clean energy
  - LREC/ZREC
  - Energy Efficiency Partners
  - Renewable Portfolio Standards

## Getting The Balance Right



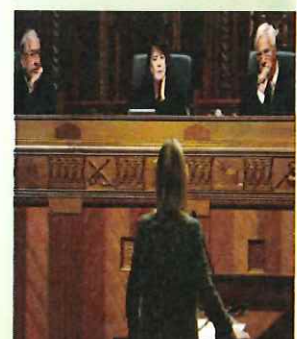
## PURA Process



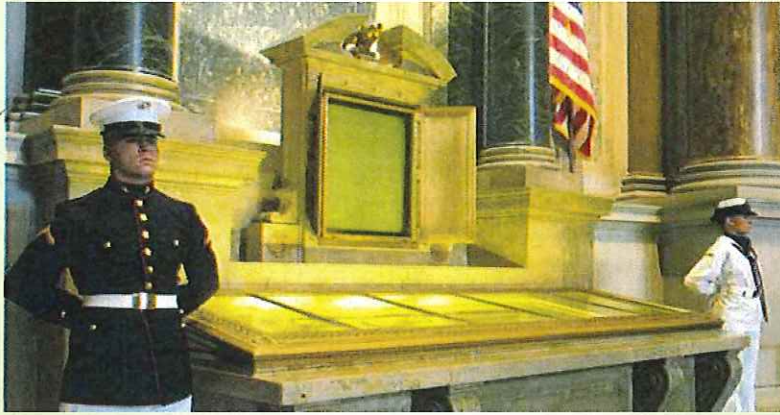
Witnesses are Subject to cross-examination



### Accepts Exceptions to the Proposed Final Decision



## Final Decision Issued



...and finally

Subject to appeal to the CT  
Superior Court



## The Essential Premise

- In US Supreme Court Decisions, Bluefield Water and Federal Power Commission vs Hope
- The US Supreme Court case determined the guidelines that:
  - Require Commissions to set a Utility's rates at a level sufficient to attract capital on reasonable terms, to maintain financial integrity and to provide a fair opportunity to earn a rate commensurate with others of *comparable Risk*
  - That there is a clear public need for the service being proposed or provided;

## PURA Statutory Rate Making Principles

- 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;***
- 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 with consideration for energy and water conservation, energy efficiency and the development and utilization of renewable sources of energy and for the prudent management of the natural environment;

## PURA Statutory Rate Making Principles

- *that the level and structure of rates be 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 which shall include, but not be limited to, reasonable costs of security of assets, facilities and equipment that are incurred solely for the purpose of responding to security needs associated with the terrorist attacks of September 11, 2001, and the continuing war on terrorism;*

## Distribution Statutory Rate Making Principles

- *that the level and structure of rates charged customers shall reflect prudent and efficient management of the franchise operation; and*
- *that the rates, charges, conditions of service and categories of service of the companies not discriminate against customers which utilize renewable energy sources or cogeneration technology to meet a portion of their energy requirements.*

Questions?

Thank You



Connecticut Department of Energy and Environmental Protection