



# STATE OF CONNECTICUT

**PUBLIC UTILITIES REGULATORY AUTHORITY  
TEN FRANKLIN SQUARE  
NEW BRITAIN, CT 06051**

**DOCKET NO. 17-12-  
03RE11**

**PURA INVESTIGATION INTO DISTRIBUTION SYSTEM  
PLANNING OF THE ELECTRIC DISTRIBUTION  
COMPANIES – NEW RATE DESIGNS AND RATES  
REVIEW**

**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

By the following Commissioners:

John W. Betkoski, III  
Michael A. Caron

**INTERIM DECISION**

## TABLE OF CONTENTS

I.	INTRODUCTION .....	1
A.	SUMMARY .....	1
B.	CONDUCT OF THE PROCEEDING .....	1
C.	PARTIES AND INTERVENORS.....	2
II.	SETTLEMENT OF CONTESTED CASES .....	3
III.	AUTHORITY ANALYSIS.....	4
A.	CUSTOMER CREDITS, CUSTOMER ASSISTANCE, AND WITHDRAWAL OF NOV APPEAL .....	4
B.	LOCAL CONTROL REFORMS.....	5
C.	BASE DISTRIBUTION RATE FREEZE .....	6
D.	RESOLUTION OF PHASE IIA .....	7
IV.	APPROVAL WITH ADMINISTRATIVE AMENDMENTS.....	9
A.	DISBURSEMENT OF \$10 MILLION IN FUNDING FOR CUSTOMER ASSISTANCE .....	9
B.	REPORTING REQUIREMENTS .....	10
V.	CONCLUSION AND ORDERS .....	10
A.	CONCLUSION.....	10
B.	ORDERS .....	10

## **INTERIM DECISION**

### **I. INTRODUCTION**

#### **A. SUMMARY**

Subject to the administrative amendments directed herein, the Public Utilities Regulatory Authority (Authority or PURA) approves the proposed settlement agreement filed with the Authority on October 1, 2021 (Proposed Settlement Agreement) by The Connecticut Power and Light Company d/b/a Eversource Energy (Eversource and CL&P), the Office of Consumer Counsel (OCC), the Office of the Attorney General (AG), the Department of Energy and Environmental Protection (DEEP), and the Connecticut Industrial Energy Consumers (CIEC) (together, the Settling Parties).

#### **B. CONDUCT OF THE PROCEEDING**

In the October 2, 2019 Interim Decision, in Docket No. 17-12-03, PURA Investigation into Distribution System Planning of the Electric Distribution Companies (Equitable Modern Grid Decision), the Authority specified a series of reopened proceedings to further investigate near-term topics integral to realizing the objectives of PURA's Framework for an Equitable Modern Grid, including Docket No. 17-12-03RE11 to "explore new rate designs." Equitable Modern Grid Decision, pp. 24-25.

On October 30, 2020, in accordance with the Equitable Modern Grid Decision and pursuant to Section 5 of Public Act 20-5, An Act Concerning Emergency Response by Electric Distribution Companies, the Regulations of other Public Utilities and Nexus Provisions for Certain Disaster-Related or Emergency-Related Work Performed in the State (Take Back Our Grid Act), the Authority initiated Docket No. 17-12-03RE11 to consider the implementation of an interim rate decrease, low-income rates, and economic development tariffs. Notice of Proceeding, Oct. 30, 2020.

On February 3, 2021, the Authority reopened Eversource's previous rate proceeding, designating the docket as 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. The Authority consolidated the reopened docket for administrative purposes under Docket No. 17-12-03RE11. Reopening Decision, Feb. 3, 2021, p. 2.

Subsequently, the Authority issued a notice that established a multi-phase proceeding. Notice Regarding Investigation Timeline, Feb. 18, 2021. In the notice, the Authority indicated its intention to issue an interim decision with respect to the topics of an interim rate decrease, a low-income rate, and other economic development rates, as Phase II of this proceeding. Id.

The Authority then further bifurcated the multi-phase proceeding and stated its intention to issue an interim decision with respect to the topic of an interim rate decrease, designated as Phase IIa of this proceeding (Phase IIa). Revised Notice Regarding

Investigation Timeline, May 5, 2021. The Authority indicated that it would consider in Phase IIa the implementation of reductions in Eversource's return on equity (ROE) ordered in its April 28, 2021 Decision in Docket No. 20-08-03, Investigation into Electric Distribution Companies' Preparation for and Response to Tropical Storm Isaias (Storm Isaias Decision). Id.; see also, Revised Notice of Proceeding, June 14, 2021.<sup>1</sup>

The Authority held public hearings as part of Phase IIa on May 27, May 28, June 23, and June 24, 2021, via teleconference.

On June 24, 2021, the Authority issued a Notice of Request for Briefs for Phase IIa in which it requested arguments regarding the ninety (90) basis point return on equity reduction imposed on Eversource in the Storm Isaias Decision.

The Authority held Late Filed Exhibit (LFE) Hearings on July 14, July 15, and August 9, 2021, via teleconference, in Phase IIa.

On September 14, 2021, the Authority issued a Proposed Interim Decision for Phase IIa and provided an opportunity for the Parties and Intervenors to file Written Exceptions and to present Oral Argument. On September 27, 2021, Eversource and CIEC filed Written Exceptions, and the AG and OCC filed Letters in Lieu of Written Exceptions.

On September 28, 2021, Eversource notified the Authority that it had reached a settlement in principle with DEEP, the AG, and the OCC regarding issues noticed for Phase IIa. On October 1, 2021, Eversource submitted a motion on behalf of the Settling Parties requesting the Authority's review and approval of the Proposed Settlement Agreement (Motion). The Authority's Office of Education, Outreach, and Enforcement (EOE) filed a statement in response to the Proposed Settlement Agreement on October 8, 2021.

By Notice of Hearing dated October 4, 2021, the Authority held a hearing on October 12, 2021, via teleconference, regarding the Proposed Settlement Agreement.

### **C. PARTIES AND INTERVENORS**

The Authority designated the following as Parties to this proceeding: the Office of Consumer Counsel, Ten Franklin Square, New Britain, CT 06051; the Commissioner of the Department of Energy and Environmental Protection, 79 Elm Street, Hartford, CT 06106; the Office of the Attorney General, Ten Franklin Square, New Britain, CT 06051; the Office of Education, Outreach, and Enforcement, Ten Franklin Square, New Britain,

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<sup>1</sup> The United Illuminating Company (UI) previously entered into a settlement agreement with OCC, the AG, and DEEP in satisfaction of, among other things, the interim rate decrease component in Phase IIa. The Authority approved the settlement agreement. See Interim Decision, June 23, 2021, Docket No. 21-01-04, PURA Annual Review of the Rate Adjustment Mechanisms of The United Illuminating Company, Docket No. 17-12-03RE11, PURA Investigation into Distribution System Planning of the Electric Distribution Companies – New Rate Designs and Rates Review, and Docket No. 16-06-04RE04, Application of The United Illuminating Company to Increase its Rates and Charges – Interim Rate Decrease, Low-Income Rates, and Economic Development Rates (UI Settlement Decision).

CT 06051; Connecticut Power and Light Company d/b/a Eversource Energy, 107 Selden Street, Berlin, CT 06037; and The United Illuminating Company, 180 Marsh Hill Road, MS AD-2A, Orange, CT 06477.

The Authority granted Intervenor status to the following: Solar Connecticut, Inc.; Connecticut Industrial Energy Consumers; Key Capture Energy; Connecticut Legal Services, Inc.; Northeast Clean Energy Council; Operation Fuel, Inc.; Center for Children’s Advocacy; and Walmart, Inc.

## **II. SETTLEMENT OF CONTESTED CASES**

Pursuant to Conn. Gen. Stat. § 4-177, a contested case may be resolved by a settlement agreement, unless it is precluded by law. The Authority “shall, whenever it deems appropriate, encourage the use of proposed settlements produced by alternative dispute resolution mechanisms to resolve contested cases and proceedings.” Conn. Gen. Stat. § 16-19jj.

In considering the approval or modification of a proposed settlement, the Authority is guided by the principles enumerated in Conn. Gen. Stat. § 16-19e. With respect to financial or rate settlements, Conn. Gen. Stat. § 16-19e(a)(4) provides 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 . . . .”

Consequently, in deciding to approve or modify a proposed settlement agreement, the Authority will consider whether the elements of the settlement, on balance, comport with the statutory principles in Conn. Gen. Stat. § 16-19e.

Here, the Proposed Settlement Agreement consists of the following key elements:

1. \$65 million bill credit and \$10 million in funding for customer assistance by Eversource along with Eversource’s withdrawal of its appeal of the \$28.4 million penalty for its deficient Tropical Storm Isaias response;
2. Reforms to Eversource’s governance to promote local control;
3. Base distribution rate freeze until 2024; and,
4. Full and final resolution of the Phase IIa part of the Authority’s proceeding in Docket Nos. 17-12-03RE11 and 17-10-46RE03, including the elimination of the 90-basis point reduction to ROE established in the Storm Isaias Decision and the 45-basis point reduction to ROE in the September 14, 2021 Proposed Interim Decision in Docket No. 17-12-03RE11.

### III. AUTHORITY ANALYSIS

#### A. CUSTOMER CREDITS, CUSTOMER ASSISTANCE, AND WITHDRAWAL OF NOV APPEAL

Under the Proposed Settlement Agreement, Eversource is to provide \$75 million in short-term rate relief, comprised of \$65 million in direct customer bill credits and \$10 million in funding for customer assistance programs. Specifically, Eversource proposes to distribute \$65 million to customers over two billing cycles commencing on December 1, 2021, and ending on January 31, 2022. Proposed Settlement Agreement, pp. 4-5. The bill credits will be issued on a volumetric basis (i.e. per kWh) and equate to approximately \$34.25 for a residential customer with 700-kilowatt hour monthly usage, or approximately \$17.12 per month for two months. *Id.*, Attachment 2. The actual bill credit will vary depending upon the customer's usage during the period. For customer assistance programs, Eversource will provide a total of \$10 million to be used as designated by the Settling Parties, with the approval and further direction of the Authority. *Id.*, p. 6.

The Proposed Settlement Agreement and Motion both stress the importance of short-term rate relief, noting that the settlement "provides some immediate rate relief to [Eversource's] customers, who continue to suffer from the economic impact of the COVID19 pandemic," *Id.*, p. 3, and "will provide, among other things, substantial near-term rate relief." Motion, p. 2. Likewise, at the hearing, the Settling Parties emphasized that the rate relief is accelerated, compared to reductions through base rates, to provide an immediate short-term impact. *See, e.g.*, Tr. 10/12/2021, p. 9 (Mr. Horton: "[The settlement] delivers material rate credits to customers, now."); *Id.*, p. 14 (Att. Annes: "the settlement provides substantial [relief] to ratepayers immediately and up front to help put money into ratepayer's pockets and in the economy."); *Id.*, p. 44 (Ms. Cain: "there should be, really a bias for action to help these customers now, versus into next year, . . ."). Similarly, the AG issued a statement that the "[settlement] plan immediately directs \$103.4 [sic] million back to ratepayers . . . ." <sup>2</sup> In addition, OCC noted "we were able to settle these cases and bring Eversource ratepayers some needed rate relief around the winter holidays."<sup>3</sup> Therefore, the Settling Parties ascribed significant importance and value to short-term rate relief.

In addition to the \$75 million in immediate rate relief, Eversource will withdraw its appeal of and continue to provide bill credits for the full \$28.4 million penalty assessed by the Authority in its July 14, 2021 Decision in Docket No. 20-08-03RE01, PURA Consideration of Civil Penalty and Enforcement Action Against the Electric Distribution Companies after Storm Isaias Investigation. The bill credits, which were not stayed pending litigation, commenced in August 2021 and will continue until July or August 2022. The withdrawal of the appeal would preclude Eversource from recovering through rates the \$28.4 million in issued bill credits in the event Eversource had prevailed in its appeal of the storm response penalty.

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<sup>2</sup> Office of the Attorney General, Press Release, Oct. 1, 2021, Governor Lamont and Attorney General Tong Broker \$103.4 Million Eversource Accountability Plan.

<sup>3</sup> *Id.*

## B. LOCAL CONTROL REFORMS

Under the Proposed Settlement Agreement, Eversource agrees to implement a range of governance reforms that are intended to promote local governance and jobs within the State of Connecticut, including: (1) the creation of an executive position for the new President of Eversource, dedicated to electric operations in the state; (2) the reopening and expansion of the Waterbury Service Center; and (3) the addition of three independent directors to the four Eversource executives currently comprising the Board of Directors. Id., pp. 11-13; Tr. 10/12/21, p. 98.

During the hearing, the Settling Parties indicated that Eversource's operations in Connecticut lacked local control, resulting in performance deficiencies, particularly with respect to storm response. Tr. 10/12/21, p. 8 (Mr. Horton: "We know that the settling parties see [the establishment of a new position of a Connecticut President] as a critical element of the settlement, . . ."); Id., p. 15 (Att. Annes: "We believe a part of the problem was a lack of local control and local accountability.").

Further, the Settling Parties stated that the proposed governance changes would address the apparent absence of local control. Tr. 10/12/21, pp. 11-12 (Mr. Sobolewski: "These changes would enhance local control of CL&P and return some of the management structure that were in place before the [2012] NU, NSTAR merger."); Id., p. 12 (Mr. Sobolewski: "Provisions in the Settlement Agreement . . . would lead to improved local operations here in Connecticut."); Id., p. 15 (Att. Annes: "The proposed settlement provides significant measures to provide local control, . . . [which] brings greater accountability to Eversource's responsiveness to the needs of Connecticut . . ."). The AG did not provide testimony related to local control, but the AG's office has previously stated the "[settlement] agreement forces significant governance changes at Eversource to bring much needed local control and oversight."<sup>4</sup> Consequently, although the evidence in the record related to local control of Eversource's operations or the effectiveness of the proposed governance changes is sparse, the Settling Parties consider the issue and the proposed remedies to be an essential element of the settlement.

Importantly, with the exception of the base and variable pay compensation of the new CL&P President created by the settlement, Eversource will be entitled to seek recovery from ratepayers of the costs of the local governance and operational commitments in the Proposed Settlement Agreement through rates established in Eversource's next general distribution rate proceeding. Proposed Settlement Agreement, p. 15. Compensation of the new CL&P President will be eligible for recovery in Eversource's subsequent rate proceeding. Id., p. 14. The Settling Parties were unable to estimate the costs of the governance and operational commitments but indicated the costs would not be extraordinary. See, e.g., Tr. 10/12/2021, p. 75 (Mr. Horton: "We have not evaluated the incremental costs, if any, to opening that service center or others at this point in time."); Id., p. 95 (Mr. Horton: "we expect that the [independent director] roles would be compensated, but there has been no determination at this point in time as to

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<sup>4</sup> Office of the Attorney General, Press Release, Oct. 1, 2021, Governor Lamont and Attorney General Tong Broker \$103.4 Million Eversource Accountability Plan.

what that would be.”<sup>5</sup>; *Id.*, p. 90 (Att. Annes: “And our view is that the cost shouldn't go up too dramatically or too much for Connecticut.”).

The Settling Parties did emphasize that the “Settlement Agreement does not preapprove or preauthorize rate recovery of local governance commitments made herein . . . .” Tr. 10/12/2021, p. 120 (Att. Pace). During the next rate proceeding, the Authority “can adjudicate if some or all of that cost should be recovered, applying the relevant legal standards and the record evidence and hearing from the settling parties.”). *Id.* Consequently, to the extent the commitments in the Proposed Settlement Agreement or any cost thereof are imprudent, the Authority may disallow cost recovery in the applicable rate proceeding.<sup>6</sup>

### **C. BASE DISTRIBUTION RATE FREEZE**

Under the Proposed Settlement Agreement, Eversource agrees to defer the effective date of its next application for amendment of distribution rates until January 1, 2024. *Id.*, pp. 7-8. Specifically, “Eversource has agreed that it would not file a rate application with PURA to increase . . . base distribution rates before January 2023.” Tr. 10/12/2021, p. 11 (Mr. Sobolewski). As a result, by deferring its rate application by no less than 14 months, Eversource’s current base distribution rates will remain constant for that additional period.

Deferred rate applications (often referred to as rate stay-outs or rate freezes) generally provide financial benefits to ratepayers by extending the regulatory lag associated with prospective ratemaking. Specifically, a utility’s revenue requirement is frozen at the level in effect at the end of the prior rate plan. Consequently, if a utility’s expenses increase during that period, the utility is unable to recover the increased costs. In addition, the utility is typically unable to earn a return on the significant amount of capital that it invests in the distribution system during the rate plan because the investments are only added to rate base, and hence recoverable, at the time of the next rate proceeding.

Therefore, in ascertaining the benefits or value of the proposed rate freeze, it is important to consider both the avoided costs of any increase in Eversource’s expenses during the rate freeze and the ability of Eversource to recover incremental capital costs. With respect to expenses, utilities generally experience increases such as those related to wages and inflation; however, these increases can often be offset by a range of factors, including, among other things, efficiencies at the operating and corporate levels and lower rates on outstanding debt. Consequently, a determination of the actual avoided cost of a rate freeze requires an accounting analysis and financial forecasting.

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<sup>5</sup> The Proposed Settlement Agreement acknowledges that the independent directors are independent only to extent that they are not employees of Eversource. The independent directors, like all directors of a corporation, have a fiduciary duty of loyalty and care to the company’s shareholders, in this case Eversource Energy as sole shareholder. Therefore, although the cost of the three new directors may be recoverable from ratepayers, the Settling Parties presumably understand that the independent directors, regardless of their residency, will not (and can not) act in the interests of Connecticut ratepayers any more or less than the current board members.

<sup>6</sup> The Proposed Settlement Agreement does not address the duration of Eversource’s obligations under Section 1.4 Commitments to Local Governance, Connecticut Jobs, and Job Training or the effect on the commitments of any future disallowance of costs.

As to the recovery of capital investments, the settlement of Eversource's prior rate case in Docket 17-10-46 included two important features. First, the base distribution rates included \$270 million per year in new capital investments, and second, an electric system improvement (ESI) mechanism was created that provides "recognition of incremental capital cost recovery between rate year three and the next rate proceeding" for \$300 million of investments annually. Tr. 10/12/2021, p. 62, 66 (Mr. Horton); Decision, April 18, 2018, Docket No. 17-10-46, Application of The Connecticut Light and Power Company d/b/a Eversource Energy to Amend its Rate Schedules (2018 Rate Settlement), Appendix A, p. 3. Consequently, the 2018 Rate Settlement permits Eversource to recover certain incremental investments made during and after the three-year rate plan. In addition, this recovery is not offset by the depreciation associated with these incremental investments as of 2018. Tr. 10/12/2021, p. 66. As a result, Eversource is, in part, immune to the regulatory lag associated with capital investments that might encourage a utility to file a rate application.

At the hearing, the Settling Parties noted that the distribution rate freeze was part of the "important near-term and longer-term rate relief to customers . . .". Tr. 10/12/2021, p. 8 (Mr. Horton). OCC offered that "[u]nder terms of the settlement, ratepayers will also see rate stability for over two years, . . ." Id., p. 11 (Mr. Sobolewski). Notably, the stability in base distribution rates over the next two years will not apply to the ESI mechanism through which Eversource is permitted to earn a return on its capital expenditures of up to \$300 million annually.

#### **D. RESOLUTION OF PHASE IIA**

Central to this settlement is the resolution of this Phase IIA proceeding. The Proposed Settlement Agreement would resolve both the issue of an interim rate decrease contemplated in Section 5 of the Take Back Our Grid Act and the 90 basis point ROE reduction ordered by the Authority in the Storm Isaias Decision. Notably, the Authority was considering an immediate interim 45 basis point reduction to Eversource's current 9.25% ROE, which was negotiated in the 2018 Rate Settlement. See Proposed Interim Decision, Sept. 14, 2021, Docket No. 17-12-03RE11, pp. 21-23.<sup>7</sup> In addition, the Authority indicated that it would impose an immediate 90 basis point ROE reduction for Eversource's Storm Isaias response through the end of Eversource's next approved rate plan. Id., pp. 25-26.

These ROE reductions would have reduced Eversource's revenue requirement (i.e. the amount paid by ratepayers) in excess of \$135 million over the next four years.<sup>8</sup>

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<sup>7</sup> In Eversource's next rate case proceeding, the Authority intends to examine ROE using the methodologies considered in Phase IIA, including the incorporation of investor market return expectations into the DCF and CAPM methodologies to align the ROE with prospective market conditions.

<sup>8</sup> Eversource valued the 90 basis point reduction at \$31 million annually. See Eversource Energy Form 10-Q, filed May 1, 2021, p. 31 ("The estimated annual impact of a 90 basis point ROE reduction at CL&P would be a decrease of approximately \$31 million of future annual revenues . . ."). The 90 basis point reduction would have been effective immediately and extended through Eversource's next three-year rate plan (i.e. 2023 to 2025), resulting in an approximate revenue reduction over four years of more than \$124 million. The 45 basis point reduction would have a proportionate annual impact of \$15.5 million for at least one year, resulting in a total revenue reduction of approximately \$140 million.

Coupled with the \$28.4 million penalty for its Storm Isaias response, Eversource's exposure to reduced revenues from ratepayers exceeded \$165 million. Consequently, the proposed \$75 million in customer credits and customer assistance and the waiver of Eversource's administrative appeal of the \$28.4 million penalty actually represents an approximate decrease of \$60 million in the amount of rate relief for Eversource's customers.

The Settling Parties indicate that, in exchange for accepting less rate relief, residential customers benefit through the immediacy of the \$34.25 refund, on average, and through the elimination of "the cost, risk, and delay of [Eversource's] protracted litigation" of the Authority's decisions imposing penalties or ROE reductions on Eversource related to storm performance or excessive earnings. Motion, p. 3.<sup>9</sup> At the hearing, the Settling Parties did not specifically address or quantify the litigation risk, except to indicate that the settlement "shields customers from litigation risk." Tr. 10/12/2021, pp. 9-10 (Mr. Horton).

An evaluation of the Proposed Settlement Agreement requires an assessment of the litigation risk posed by Eversource. To do so, parties must consider the likelihood of prevailing on the merits, possible delays, and legal costs. In addition, in the context of agency decisions, parties need to consider other policy implications, including whether settlements under the threat of litigation might serve to encourage future litigation tactics or allow regulated entities to circumvent more thorough regulatory oversight.

Here, the AG has a lengthy and impressive record of defending appeals of the Authority's decisions and is, therefore, well positioned to assess litigation risk. Notably, the AG previously expressed strong support for both the \$28.4 million penalty and the proposed interim rate decrease.<sup>10</sup> In sum, the Settling Parties appear to have assigned considerable value to the immediacy of the \$75 million in short-term rate relief, the ample list of local control reforms, and the base distribution rate freeze.

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<sup>9</sup> Under the Proposed Settlement Agreement, Eversource agrees to withdraw its pending administrative appeals before the Connecticut Superior Court Tax & Administrative Appeals Session in (a) Docket No. HHB-CV21-6066605-S (appeal from the April 28, 2021 Decision in Docket No. 20-08-03, and (b) Docket No. HHB-CV21-6067799-S (appeal from the July 14, 2021 Decision in Docket No. 20-08-03RE01. *Id.*, p. 15. Eversource also agrees to waive all rights to appeal all issues of law or fact related to the interim rate decrease proceeding in Docket Nos. 17-10-46RE03 and 17-12-03RE11. *Id.*, p. 17.

<sup>10</sup> Office of the Attorney General, Press Release, July 14, 2021, Attorney General Tong Praises PURA Final Decision on \$29 Million Penalty Against Eversource for Isaias Failures; Press Release, Aug. 30, 2021, Attorney General Tong Urges PURA to Decrease Eversource's Rates.

#### **IV. APPROVAL WITH ADMINISTRATIVE AMENDMENTS**

Eversource, OCC, the AG, DEEP, and CIEC “approached these [settlement] discussions with a common purpose, which was to work cooperatively toward a comprehensive resolution of the issues presented in Phase IIa of this proceeding and to provide meaningful rate relief to customers.” Motion, pp. 1-2. The Settling Parties acknowledge that Proposed Settlement Agreement represents an “intricate balancing of goals and a compromise of the parties’ individual interests.” Motion, p. 3. The Settling Parties’ unconditional support of the Proposed Settlement Agreement was palpable, both at the hearing and in the media.<sup>11</sup>

Importantly, OCC, the AG, DEEP, and CIEC are key stakeholders with both statutory and practical interests in the rates and performance of Eversource, representing, among others, residential and commercial customers, energy policy makers, and elected officials. On balance, the Settling Parties ostensibly achieved their common purpose – resolution of the Phase IIa proceeding and short-term rate relief for customers. Consequently, although the Proposed Settlement Agreement does not address the myriad regulatory objectives of the Phase IIa proceeding, the Authority approves the Proposed Settlement Agreement, subject to the following administrative amendments.

##### **A. DISBURSEMENT OF \$10 MILLION IN FUNDING FOR CUSTOMER ASSISTANCE**

Term 1.1.6 of the Proposed Settlement Agreement states that the \$10 million in funding for customer assistance will be “available as of the date of approval of the Settlement Agreement for disbursement to state-designated purposes identified and implemented prior to December 31, 2021.” Proposed Settlement Agreement, p. 7. At the October 12, 2021 hearing, however, Eversource clarified that the \$10 million in funding did not need to be distributed by December 31, 2021. Tr. 10/12/2021, pp. 40-41, 44. Rather, to ensure such funding is an irrevocable commitment, Eversource needed to set the funding aside in a separate account by that date. *Id.*, p. 39.

Accordingly, the Authority will require the Settling Parties to amend the Proposed Settlement Agreement to clarify that the \$10 million in funding for customer assistance may be disbursed at any time, including after December 31, 2021, but with the objective of disbursement not later than April 30, 2022. In addition, the Authority will direct Eversource to consult with the Settling Parties, EOE, and other interested stakeholders, including the low-income advocates recognized as Intervenors in this proceeding, on the proposed range of options to allocate the \$10 million in customer assistance and submit to the Authority for review and approval no later than November 22, 2021, recommendations for how and when the money should be disbursed.

Importantly, financial hardship customers are protected from service termination from November 1 through April 30. Therefore, customers who are experiencing financial hardship will not be negatively impacted by the disbursement of funds after December 2021, so long as they are provided before April 30, 2022. In addition, every Eversource customer is able to enroll in the COVID-19 Payment Plan, which protects customers

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<sup>11</sup> See, e.g., Footnote 2.

against service termination so long as customers make the required monthly payments specified under the COVID-19 Payment Plan.<sup>12</sup>

## **B. REPORTING REQUIREMENTS**

Term 1.4.11 of the Proposed Settlement Agreement requires the new CL&P President to annually file a report with the Authority (1) indicating that CL&P has sufficient resources and autonomy of decision-making authority to carry out the delegated authorities and, (2) describing the responsiveness of the Eversource Energy organization to the needs of CL&P. The Authority directs the Settling Parties to amend Term 1.4.11 of the Proposed Settlement Agreement to state that the report is to be filed in Docket No. 17-12-03RE11.

## **V. CONCLUSION AND ORDERS**

### **A. CONCLUSION**

In this Interim Decision, the Authority approves the Proposed Settlement Agreement subject to the administrative amendments directed herein and the orders below.

### **B. ORDERS**

For the following Orders, Eversource shall file an electronic version of the required documentation through the Authority's website at [www.ct.gov/pura](http://www.ct.gov/pura). Submissions filed in compliance with the Authority's Orders must be identified by all three of the following: Docket Number, Title, and Order Number.

1. Not later than October 29, 2021, Eversource shall file a fully executed amended settlement agreement entered into by the Settling Parties that adopts the redlined edits in Attachment 1 of the Interim Decision.
2. Not later than November 22, 2021, after consulting with the Settling Parties, EOE, and other interested stakeholders on the proposed range of options to allocate the \$10 million in customer assistance, Eversource shall submit recommendations for how and when the money should be disbursed.

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<sup>12</sup> See Motion Ruling No. 50, Aug. 24, 2021, Docket No. 20-03-15, 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.

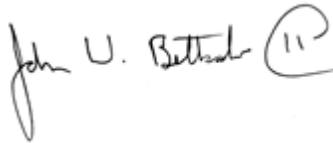
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This Decision is adopted by the following Commissioners:



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John W. Betkoski, III



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Michael A. Caron

CERTIFICATE OF SERVICE

The foregoing is a true and correct copy of the Decision issued by the Public Utilities Regulatory Authority, State of Connecticut, State of Connecticut, and was forwarded by Certified Mail to all parties of record in this proceeding on the date indicated.



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Jeffrey R. Gaudiosi, Esq.  
Executive Secretary  
Public Utilities Regulatory Authority

October 27, 2021

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Date