

[Connecticut](#)

Connecticut Electric Rates Dropping To 'Near Historic Lows'



Analog meter (Rolf Brenner / Getty Images/Hemera)



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Most Connecticut electricity consumers will get a break on their bills beginning in July when the state's standard service rates drop to "near historic lows" as a result of action by the Public Utilities Regulatory Authority (PURA) Wednesday.

State officials said the revised standard rates that take effect July 1 are sinking because of lower wholesale prices for natural gas, which is now an increasingly key fuel for power generating plants in Connecticut and New England.

Approximately two-thirds of Connecticut electricity customers use the state-approved standard service rates for Eversource and United Illuminating. About one-third of this state's consumers now buy their electricity from third-party retailers, and those rates can be lower or higher than the state-regulated rates.

The standard rate for Eversource customers as of July will drop from the current 9.555 cents per kilowatt hour to 6.606 cents per kilowatt hour. UI customers will see their standard rate decrease from 10.7358 per kilowatt hour down to 8.0224 cents per kilowatt hour. Those rates will be in effect until Dec. 31, 2016.

Standard service rates for Eversource customers that were approved this week are about 20 percent below what they were during the July-December 2015 period, according to PURA officials. The rates for UI customers for the second half of this year will be about 12 percent below those in effect for July-December 2015.

The standard service rates represent about 40 percent of a customer's electric bill, and are intended to cover the costs of generating that power. Other charges to consumers involve distribution and public benefit costs.

Dave Thompson, a utilities examiner with the state Office of Consumer Counsel, said the word from electric power company officials is that "they haven't seen prices like this since 2003-04."

Thompson said an average Eversource customer, using approximately 750 kilowatt hours per month, paid about \$61.71 per month for the energy portion of his or her bill during the second half of 2015. The new rates would amount to a savings for that customer of about \$12 per month, compared to the same period in 2015.

The average UI customer's monthly bill during July-December 2015 was about \$68.43, Thompson said, and that customer can expect to save approximately \$8.26 per month on his or her energy bill for the second half of 2016.

The numbers cited above are averages, Thompson added, saying individual customers' bills will vary depending on usage and how cold or warm it gets during the latter half of 2016.

Connecticut's standard service rates tend to be cyclical, rising during colder winter months and falling in the second half of the year, according to PURA spokesman Michael Coyle. But he said the rates that take effect in July will be "at or near historic lows.

"Wholesale prices for electricity have tended to track natural gas wholesale prices in recent years," said

Coyle, adding that power companies in this state and the rest of New England have become "increasingly reliant on natural gas."

In 2000, natural gas accounted for only about 15 percent of all fuels used by New England power plants to generate electricity. By 2014, about 50 percent of the fuel consumed by those electric generating facilities was natural gas, and officials say that trend is continuing.

The rising demand in New England for relatively inexpensive natural gas is also driving proposals for expansions of gas pipeline capacity in the region. Those pipelines are intended to bring in more gas from the "fracking" fields of the Marcellus Shale in Pennsylvania and New York.

Energy industry officials say existing pipelines simply aren't big enough to carry the amount of natural gas needed to supply residential, business and power generating companies in this region. Political leaders like Gov. Dannel P. Malloy are advocating natural gas as a cleaner, cheaper alternative to oil and coal.

But many environmentalists argue that new multibillion-dollar natural gas pipeline projects are too expensive and would increase reliance on another fossil fuel when the focus should be on renewable energy such as solar and on energy conservation.

One major pipeline proposal was withdrawn last month by Kinder Morgan, the largest energy infrastructure company in the U.S.

Company officials cited a number of reasons, including the lack of assurances that regional electricity customers would help pay for the \$3.3 billion project.

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