



PURA Approves Settlement Agreements in Eversource Energy Rate Case

New Rates Are Effective on May 1, 2018

New rates for Eversource Energy (“Eversource”) electric customers went into effect on May 1, 2018. The new rates are a result of the Public Utilities Regulatory Authority’s (“PURA”) adjudication of Docket No. 17-10-46, *Application of the Connecticut Light and Power Company d/b/a Eversource Energy to Amend its Rate Schedules*, in which docket PURA approved three settlement agreements. The Office of Consumer Counsel (“OCC”) actively represented Eversource ratepayers in the rate case proceeding and was a party to two of the settlement agreements: (1) the Revenue Requirements Settlement Agreement, and (2) the Revenue Allocation Settlement Agreement. The third settlement agreement approved by PURA relates to pole attachment rates.

The Revenue Requirements Settlement Agreement that PURA approved in Docket No. 17-10-46 achieved an overall reduction of \$182.4 million from Eversource’s original requested three-year rate increase of \$336.9 million. The Settlement includes an over 60% reduction to Eversource’s rate year one request of \$255.8 million, while still enabling Eversource to continue to provide safe and reliable service to its customers. Given that Eversource’s rate application reflected approximately \$700 million of recent investments to improve the reliability and safety of the electric distribution system that were not accounted for in existing rates, some level of rate increase was warranted under applicable law. The Settlement Agreement also includes a decrease to Eversource’s initial revenue requirements request as a result of the federal tax law change that was effective on January 1, 2018, which reduced the federal corporate tax rate from 35% to 21%.

The following table illustrates the substantial reductions achieved in the Revenue Requirements Settlement Agreement from the distribution rate increase originally requested in Eversource’s application as well as the bill impact for each rate year:

Distribution Rate Increase	Rate Year 1	Rate Year 2	Rate Year 3
Request in Original Application	\$255.8 million	\$44.7 million	\$36.4 million
Bill Impact (increase on total bills)	6.57%	1.27%	0.98%
Revised Request in Settlement	\$97.1 million	\$32.7 million	\$24.7 million
Bill Impact (increase on total bills)	2.47%	0.81%	0.61%

In addition to the Revenue Requirements Settlement Agreement, PURA approved a settlement agreement on revenue allocations, which was filed on February 2, 2018. The Revenue Allocations Settlement Agreement provides an equitable method to allocate the reduced revenue requirement among various rate classes (such as Residential, Commercial & Industrial, etc.) and accomplishes the goal of moving class rate of returns closer to the system average.

In that same docket, PURA also approved a significant reduction to the residential non-electric heating customer charge from \$19.25 per month to \$9.21 per month. This \$10.04 decrease was largely due to implementation of the methodology for setting a residential customer charge that PURA prescribed in Docket No. 17-01-12, *PURA Establishment of the Maximum Residential Customer Charge*. The reduction of Eversource’s customer charge in Docket No. 17-10-46 as well as the approach for setting the customer charge ordered by PURA in Docket No. 17-01-12 both align with OCC’s advocacy on behalf of electric consumers in the proceedings.



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