

June 12, 2020

Jeffrey R. Gaudiosi, Esq.

Executive Secretary

Public Utilities Regulatory Authority

10 Franklin Square

New Britain, CT 06051

Re: Docket No. 20-03-01*, PURA Review of the Rate Adjustment Mechanisms of The Connecticut Light and Power Company -* Transmission Adjustment Clause Rate

Effective July 1, 2020

Dear Mr. Gaudiosi:

Pursuant to Connecticut General Statute § 16-19b and the December 14, 2005 decision in Docket No. 05-08-03, *Application of The Connecticut Light and Power Company for Approval of a Transmission Adjustment Clause*, The Connecticut Light and Power Company dba Eversource Energy (“Eversource”, “Company” or “CL&P”) requests that the Public Utilities Regulatory Authority (“PURA” or “Authority”) approve Eversource’s proposal to increase its transmission adjustment clause (“TAC”) rate effective as of July 1, 2020. This adjustment is being filed in this docket in accordance with the directive of the Authority in its December 30, 2014 Supplemental Notice of Procedural Order issued in this same docket, which stated that upon receipt of this filing the “Authority will administratively approve the TAC update filings at a meeting held at the Authority’s offices, as in the past, or by a letter, if no docket participant requests that the administrative meeting be held.”[[1]](#footnote-1) The Company does not request an administrative meeting be held if, in lieu thereof, the Authority issues a letter approving the proposed new TAC rate effective as of July 1, 2020, subject to reconciliation in a future annual contested case proceeding.

In addition, Eversource requests that the final results of this administrative proceeding be incorporated (via administrative notice) into Docket No. 20-01-01, *Administrative Proceeding to Review The Connecticut Light and Power Company's Standard Service and Supplier of Last Resort Service 2020 Procurement Results and Rates*, for the purpose of setting total new rates, effective July 1, 2020, and so that (consistent with past practice) the TAC rate can be incorporated into the base Transmission rate as a means of limiting the number of line items on customers’ bills.

The proposed July 1, 2020 TAC rate reflects an increase in both Regional Network Service (RNS) and Local Network Service (LNS) charges, primarily due to significantly lower actual New England RNS loads (~ 1,000 megawatt decrease). The proposed adjustment to the TAC effective July 1, 2020 includes an unusually large 2019 under-recovery of LNS costs of approximately $45 million. The RNS rate also increased due to the lower New England loads along with forecasted investments in transmission infrastructure. The TAC reflects the transmission costs attributable to CL&P in accordance with applicable FERC approved tariffs.

Due to the significant increase in the proposed TAC rate, and the Company’s awareness of the challenging economic climate customers are facing as a consequence of COVID-19, Eversource is proposing to take advantage of a deferred payment option offered by Eversource to local transmission customers for the 2019 LNS true-up. This deferred payment option would recover these costs over a 24-month recovery period, with interest, rather than the traditional 6-month recovery period. The Company is requesting that the Authority approve a 24-month recovery period for this amount, to mitigate the bill impact on all customers during this unprecedented time. This proposal will result in an average TAC rate of 3.394 cents/kWh (24-month recovery) rather than 3.728 cents/kWh if the LNS true-up was recovered over 6 months.

Eversource’s total new rates that will take effect on July 1, 2020 (including Eversource’s proposal in this docket to recover the 2019 LNS true-up over a 24-month period) will be reflected in a supplemental filing that Eversource will file with the Authority on June 19, 2020 in Docket No. 20-01-01. In that supplemental filing, the Company will provide detail regarding other rate components, including the Nonbypassable Federally Mandated Congestion Charge (“NBFMCC”) which is also increasing from 1.423 cents/kWh to 2.729 cents/kWh primarily due to payments associated with State-approved power purchase agreements for the Millstone Nuclear Power Plant[[2]](#footnote-2) which the Company entered into pursuant to legislative directives. The TAC and NBFMCC increases will be mitigated, but not completely offset, by a decrease in the energy supply cost to serve customers on standard service, as will be explained in the supplemental filing.

The Company has attached supporting computations for the proposed TAC rate to this filing. In the event there are any questions or comments regarding this filing, please do not hesitate to contact me or Michael Shelnitz at 860-665-5070.

Respectfully submitted,

**EVERSOURCE ENERGY**

**Christopher R. Bernard**

Christopher R. Bernard

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cc: Service List

1. Docket No. 15-03-01, December 30, 2014 Supplemental Notice of Procedural Order at Page 1. [↑](#footnote-ref-1)
2. See Docket No. 18-05-04, *PURA Implementation of June Special Session Public Act 17-3*, Second Interim Decision dated September 18, 2019*.* [↑](#footnote-ref-2)