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## **Contract Procedures for Private Power Producers and Providers**

### **Sec. 16a-49-1. Definitions, pertaining to gas public service companies**

(a) “Authority” and “Department” as used in these regulations shall be as defined in section 16-1 of the Connecticut General Statutes.

(b) “Gas Public Service Company” as used in these regulations, shall mean a “public service company” which provides gas service, as defined in section 16-1 of the Connecticut General Statutes.

(c) “Gas Conservation and Load Management Investments” as used in these regulations, means any investments by gas public service companies in multi-year conservation and load management measures designed to conserve gas energy or manage gas load.

(Effective October 26, 1989)

### **Sec. 16a-49-2. Conservation and load management plan filing requirements for gas public service companies**

(a) Consistent with the filing date required in Section 16-32f of the Connecticut General Statutes, as may be amended from time to time, each gas public service company shall file with the Department a comprehensive conservation and load management plan including but not limited to the following information:

(1) A forecast of gas loads and resources including but not limited to conservation and load management measures, supply contract terms, line extension and interconnections. The report shall describe the facilities and supply resources that are projected to be required to meet gas demand during the forecast period. This information may incorporate and must be consistent with the ten year report filed with the Department pursuant to Section 16-32f of the Connecticut General Statutes;

(2) A report of the status of all gas conservation and load management programs for which the company has made commitments for capital investments within the next ten years from the date of the forecast filing, including any such programs planned but not yet implemented;

(3) A report of the effect of existing and planned conservation and load management programs on the gas winter peak load, and on the projected resource requirements for the next ten years from the date of the forecast filing, including a description of the program’s consistency with state energy policy;

(4) Documentation of the program elements, costs, implementation requirements, and fuel and energy savings objectives for each conservation and load management program filed pursuant to this section for the next ten years from the date of the forecast filing and documentation of fuel and energy savings achieved to date for each program; and

(5) Such other information as the Department may direct.

(b) If the conservation and load management plan filed pursuant to Section 16a-49-2 (a) of these regulations contains programs for multi-year conservation and load management investments, the gas public service company shall file the following additional information:

(1) The expected annual cost of operating the program, the capital investment requirements for each year of the program, and the anticipated savings of gas for each year of the program;

(2) Documentation as to the use of cash or energy source credits to customers as part of the program;

(3) Documentation as to the energy source or fuel used and the energy source or fuel displaced by the program;

(4) The anticipated impact of such programs on the gas public service company's gas demand and energy requirements; and

(5) Testimony regarding the requested premium above the most recently authorized rate of return for each multi-year program requiring capital investment, the requested period of amortization, and the annual and cumulative amount requested to be recovered in rate base. Such information shall address each individual multi-year investment program as well as the cumulative impact of such programs.

(Effective October 26, 1989)

**Sec. 16a-49-3. Department review and action on gas conservation and load management investments**

(a) The Department shall conduct a public hearing to review the conservation and load management plans filed pursuant to Section 16a-49-2 (a) and 16a-49-2 (b) of these regulations and shall issue a decision including but not limited to the following determinations:

(1) Which of the conservation and load management programs are cost efficient and consistent with the provisions of state conservation and energy policy and with provisions of Section 16a-35k of the Connecticut General Statutes;

(2) Which of the proposed multi-year conservation and load management investments qualify as investments for inclusion in the rate base of the gas public service company which may be recovered pursuant to provisions of Section 16a-49 of the Connecticut General Statutes, and

(3) The interim accounting mechanism for recovery of conservation and load management investments pending determination in the company's next filed application for rate adjustment.

(b) The appropriateness of the return on rate base requested by the gas public service company above its authorized rate of return for recovery of its approved multi-year conservation and load management investments shall be made by the Department in its consideration of the gas public service company's next application for amendment of rates. Such allowed return on the rate base for multi-year conservation and load management investments shall be at a rate of no less than one per cent and no greater than five per cent above the gas public service company's authorized rate of return.

(c) No costs incurred by a gas public service company in connection with any plan or program under which the company offers direct cash or energy source credit incentives or imposes undue economic burdens which are intended to promote the conversion of primary residential or commercial oil heating systems to gas heating systems shall be placed in the rate base of the gas public service company or included, directly or indirectly, as operating expenses of that company for the purposes of rate making.

(d) Nothing in these regulations shall be construed to preclude or restrain the company's short term management decisions made to improve the economics or reliability of its system or fuel mix through wholesale or retail supply or demand opportunities made in the operation of its gas distribution franchise.

(Effective October 26, 1989)