



STATE OF CONNECTICUT

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

**DOCKET NO. 12-06-02RE01 REQUEST FOR PURA REVIEW OF POWER
PROCUREMENT PLAN - REOPENING**

July 1, 2014

By the following Commissioners:

Arthur H. House
John W. Betkoski, III
Michael A. Caron

Lead Staff: P. Carver
Legal Advisor: R. Luysterborghs

DECISION

DECISION

I. INTRODUCTION

A. SUMMARY

In this Decision, the Public Utilities Regulatory Authority approves the Power Procurement Plan as submitted by the Procurement Manager pursuant to §16-244m of the General Statutes of Connecticut. The Authority approves modifications to this plan approved in October of 2012. These modifications, as proposed, would allow flexibility in the scheduled procurements, establish a process for immediate decision making to address unforeseen issues in competitive procurement events and self-managed procurement, allow the Procurement Manager to approve the Supplier of Last Resort contracts in the same manner as the Standard Service contracts are handled and provide a procedure for the electric distribution companies to disclose information regarding self-managed procurement.

B. BACKGROUND OF THE PROCEEDING

The General Statutes of Connecticut (Conn. Gen. Stat.) §16-244m direct the Procurement Manager (PM) to procure electric generation services and related wholesale electricity market products in consultation with each electric distribution company (EDC) and with others at the PM's discretion.¹ The PM has the role of

¹ Conn. Gen. Stat. §16-244m, as amended by Public Act 13-298, An Act Concerning Implementation of Connecticut's Comprehensive Energy Strategy and Various Revisions to the Energy Statutes, Section 14. Procurement Plan re standard service. (a)(1) On or before January 1, 2012, and annually thereafter, the procurement manager of the Public Utilities Regulatory Authority, in consultation with each electric distribution company, and others at the procurement manager's discretion, including, but not limited to, the Commissioner of Energy and Environmental Protection, a municipal energy cooperative established pursuant to chapter 101a, other than entities, individuals and companies or their affiliates potentially involved in bidding on standard service, shall develop a plan for the procurement of electric generation services and related wholesale electricity market products that will enable each electric distribution company to manage a portfolio of contracts to reduce the average cost of standard service while maintaining standard service cost volatility within reasonable levels. Each Procurement Plan shall provide for the competitive solicitation for load-following electric service and may include a provision for the use of other contracts, including, but not limited to, contracts for generation or other electricity market products and financial contracts, and may provide for the use of varying lengths of contracts. If such plan includes the purchase of full requirements contracts, it shall include an explanation of why such purchases are in the best interests of standard service customers.

(2) All reasonable costs associated with the development of the Procurement Plan by the authority shall be recoverable through the assessment in Conn. Gen. Stat. §16-49. All electric distribution companies' reasonable costs associated with the development of the Procurement Plan shall be recoverable through a reconciling bypassable component of the electric rates as determined by the authority.

(b) The procurement manager shall, not less than quarterly, prepare a written report on the implementation of the Procurement Plan. If the procurement manager finds that an interim amendment to the annual plan might substantially further the goals of reducing the cost or cost volatility of standard service, the procurement manager may petition the Public Utilities Regulatory Authority for such an

managing the procurement of electricity for the Standard Service (SS) customers of the two investor-owned EDCs in Connecticut, The United Illuminating Company (UI) and The Connecticut Light & Power Company (CL&P). SS is the default electric service that the EDCs provide their customers, primarily residential and small commercial and industrial (C&I), who have a maximum demand of less than 500 kW, do not use demand meters, and have not selected an alternative retail supplier.

C. CONDUCT OF THE PROCEEDING

On March 11, 2014, the PM filed a report that included a request for Authority approval of some modifications to the Procurement Plan (Plan) approved in 2012. The PM proposes to use the modified Plan in future procurements.

The Authority solicited comments in this uncontested matter by Notices of Request for Written Comments dated April 29 and June 24, 2014. The Authority received and reviewed Written Comments submitted from the Participants in this proceeding. Some of the Participants comments are referenced below.

D. PARTICIPANTS

The Authority designated UI, P. O. Box 1564, New Haven, Connecticut 06506-0901; CL&P, 107 Selden Street, Berlin, Connecticut 06037; the AG, Ten Franklin Square, New Britain, Connecticut 06051; the New England Power Generators Association (NEPGA), 141 Tremont Street, Boston, Massachusetts 02111; Constellation NewEnergy, Inc. and Constellation Energy Commodities Group, Inc. (jointly, Constellation), 101 Constitution Avenue, N.W., Suite 400 East, Washington, District of Columbia; the Retail Energy Supply Association (RESA), 280 Trumbull Street, Hartford, Connecticut 06103-3597; the Public Utilities Regulatory Authority (PURA or

interim amendment. The Public Utilities Regulatory Authority shall provide notice of the proposed amendment to the Office of Consumer Counsel and the electric distribution companies. The Office of Consumer Counsel and the electric distribution companies shall have two business days from the date of such notice to request an uncontested proceeding and a technical meeting of the Public Utilities Regulatory Authority regarding the proposed amendment, which proceeding and meeting shall occur if requested. The Public Utilities Regulatory Authority may approve, modify or deny the proposed amendment, with such approval, modification or denial following the technical meeting if one is requested. The Public Utilities Regulatory Authority's ruling shall occur within three business days after the technical meeting, if one is requested, or within three business days of the expiration of the time for requesting a technical meeting if no technical meeting is requested. The Public Utilities Regulatory Authority may maintain the confidentiality of the technical meeting to the full extent allowed by law.

(c) The costs of procurement for standard service shall be borne solely by the standard service customers.

(d) (1) The Public Utilities Regulatory Authority shall conduct an uncontested proceeding to approve, with any amendments it determines necessary, the Procurement Plan submitted pursuant to subsection (a) of this section.

(2) The Public Utilities Regulatory Authority shall report annually in accordance with the provisions of Conn. Gen. Stat. §11-4a to the joint standing committee of the General Assembly having cognizance of matters relating to energy regarding the Procurement Plan and its implementation. Any such report may be submitted electronically.

Authority), Ten Franklin Square, New Britain, Connecticut 06051; Robert F. Klee, Commissioner, Department of Energy and Environmental Protection (DEEP), 79 Elm Street, Hartford, CT 06106-5127; and the Office of Consumer Counsel (OCC), Ten Franklin Square, New Britain, Connecticut 06051 as Participants to this proceeding.

II. PROPOSAL / POSITIONS OF PARTICIPANTS

A. PROCUREMENT PLAN

The PM proposes retaining the existing Plan with four modifications discussed in detail below. As one of the modifications, the PM proposes the same approval process for Supplier of Last Resort Services (SOLR) procurement results that is followed for SS.

Under the first proposed modification, the EDCs would conduct procurement events according to the following process. Each EDC will schedule four SS procurements per year, in a pattern of 6- and/or 12-month contracts, such that each rate period will reflect an average of contracts awarded during approximately three to four different procurement dates. The EDCs, with the consent of the PM, may add or drop procurement events if warranted, while still ensuring a diversity of procurement dates. For example, if the PM and the EDCs reject all bids on a procurement day, an additional procurement date would be scheduled. Alternatively, if sufficient contracts at favorable prices have been awarded to complete a service term, the remaining procurements for that service term would not be needed. PM Report, March 11, 2014, p. 4.

The second proposed modification is intended to establish a process for immediate decision making to address unforeseen issues that have the potential to adversely impact a procurement event. The PM proposes the following process. In the course of a year, should the need arise for immediate modification of the Plan due to legislative, market, or other unforeseen issues, the PM may, upon oral approval of PURA Commissioners, make such modifications immediately while soliciting official review and approval of such modification in the following year's Annual Review. Id.

With respect to the self-managed procurement by the EDCs, the PM requests greater flexibility to act. If there is a SS bid day with less than robust participation or bid prices with excessive risk premia, and if there is no prospect of any improvement in market conditions, the PM believes that the Plan must provide for a timely alternate procurement approach. Specifically, the PM requests that the Plan allow the PM to direct the utility to self-manage uncontracted portions of SS load. This contingency plan should apply equally to both CL&P and UI. PM Written Comments, May 13, 2014, p. 2.

The third proposed modification relates to the PM approving the SOLR Service procurement results following the same process used to approve SS. On bid days, the PM reviews the SS bids received and the contracts recommended by the utility. Instead of waiting for the PURA to review the recommended contracts and issue a Decision the following day, under the Plan, the PM is authorized to approve (or reject) the recommended SS contracts on the same day that the bids are received. Similarly, if the PM were to be authorized to approve the recommended SOLR contracts on the same day as bids are submitted, SOLR customers would benefit through a reduction in the risk premium embedded in the bid prices. The PM believes that the broad language of

Conn. Gen. Stat. §16-2(l)² authorizes the PM to approve SOLR along with SS. The statute is permissive, and does not preclude the PM from overseeing LRS procurements and approving LRS contracts as well as SS contracts. Since SS and LRS bid days now coincide for both utilities, there will be an additional gain of efficiency by combining the PURA filings and proceedings for both SS and LRS.

The fourth proposed modification provides a procedure for EDCs to disclose information regarding self-managed procurement. In a motion dated April 4, 2014, RESA requested that the Authority develop a protocol for the timely public disclosure of information associated with CL&P's self-management activities. RESA also requested that the Authority direct CL&P to file, 90 days after each SS and LRS procurement is conducted, copies of bid sheets received, provided that the bidders' identities are redacted from such filing, for the self-managed portfolio. Lastly, RESA requested an open and transparent protocol for interim amendments to the approved Plan for SS.

The PM recommends the following disclosure process:

- a. For each rate period, CL&P will publicly file the following information regarding its costs to serve the self-managed load: (1) all costs paid to ISO-NE to serve the self-managed load for the rate period, (2) all costs associated with bilateral transactions to serve the self-managed load, including costs incurred for the procurement of Renewable Energy Credits (RECs).
- b. CL&P will provide this information no later than five months following the end of a rate period. For rate periods that end on June 30, the information will be provided no later than December 1, and for rate periods that end on December 31, the information will be provided no later than June 1 of the following year. This timeline accommodates ISO-NE's settlement and billing procedures. In the event that ISO-NE's settlement and billing period procedures change, the due date for CL&P to file the information regarding the self-managed load will be adjusted accordingly by the PM, and the revised due date will be submitted for PURA approval in the next annual Plan review.
- c. If CL&P continues to procure RECs for a rate period after the due date stated in (b), CL&P will inform the PM of such purchases. Upon completion of all REC purchases for a calendar year, CL&P will file updated information regarding REC purchases with its next regular public filing of the information under (a), above.
- d. In the event that UI self-manages any portion of its SS load, the same reporting protocol will apply.

² Conn. Gen. Stat. §16-2(l). The Public Utilities Regulatory Authority shall include a procurement manager whose duties shall include, but not be limited to, overseeing the procurement of electricity for standard service and who shall have experience in energy markets and procuring energy on a commercial scale.

PM Written Comments, July 7, 2014, p. 3.

B. RESA

RESA asserts that the PM's recommendations ignore the statutory requirements for review and approval of amendments to the Plan and fail to provide consumers with sufficient information upon which to make informed decisions about their electricity supply. Thus, RESA urges the Authority to reject those recommendations and require the PM to adhere to the bounds of his authority and to provide more transparency regarding the EDCs' procurement activities. RESA also urges the Authority to reject the PM's recommendation that he be permitted to seek interim amendments to the Plan upon "oral" approval from the PURA Commissioners and order that he strictly comply with the statutorily mandated standards and procedure for such amendment. Further, RESA suggests that the Authority develop a protocol for amendments to the approved Plan that comports with the statutory requirements and clearly identifies the standard of review, including the evaluative performance-based metrics, which will be used to assess any such future requests for amendments to the Plan. RESA Comments, July 7, 2014.

RESA states that after the fact transparency is crucial in order for retail suppliers to assist customers in understanding how to compare the price and risk factors associated with their various retail supply options. Absent any information about how one-third of default service procurements are undertaken, the public will not be able to understand the value of SS or to make informed decisions about their supply options. For instance, if suppliers do not know how the EDCs are conducting their self-management activities, they cannot educate customers regarding the amount of market exposure and resulting price volatility they may face by remaining on SS as compared to one or more products available from the competitive market. Thus, rather than just requiring the disclosure of information associated with the cost of the EDCs' self-managed activities, RESA requests that the Authority develop a protocol that requires the EDCs to disclose their market activities regarding the self-managed load in accordance with the ISO-NE policy. Consistent with that policy, the following information with references to particular counterparties or generating assets redacted should be disclosed after 90 days have elapsed:

- A list of all term megawatt (MW) block purchase transactions, including MWs purchased, dates of transactions, start date, end date, and transaction price;
- A list of any other energy hedge transactions (e.g., options, swaps, derivatives, load-following contracts, natural gas or heat rate hedges used to manage power price volatility, unit-contingent supply contracts, etc.), including volume purchased, dates of transactions, start date, end date, and transaction price;
- Megawatt Hour (MWh) Volume settled in Day Ahead (DA) Market, percent of total SS MWh, and load-weighted average DA settlement price for the month;

- MWh Volume settled in Real Time (RT) Market, percent of total SS MWh, and load-weighted average RT settlement price for the month;
- Any financial transmission rights costs or credits;
- All non-energy costs incurred, including capacity costs, ISO-NE ancillary costs, and Renewable Portfolio Standard costs;
- All transaction, administrative, and overhead costs related to the above; and
- A reconciliation between the aggregate of the cost items listed above with the SS rate for the applicable month.

RESA Comments, July 7, 2014, p. 14.

C. CL&P

CL&P supports the PM's recommendations, including those relating to disclosure requirements. Relative to RESA's request for disclosure, CL&P proposes to make a summary filing of its self-management activities for each rate period, which would include the cumulative value of the company's purchases and hedging activities conducted and will provide disclosure of the total cost to customers associated with CL&P's self-managed load, including the costs incurred for the purchase of any RECs associated with such load. Since ISO-NE provides its final settlement information 90 days after the conclusion of a billing period, CL&P proposes to make a public filing in October and April. However, since all of CL&P's RECs information will not be available at those times, a final report will be filed on or about July 1st which will include final REC information. CL&P Written Comments, May 13, 2014, p. 2.

More specifically, CL&P plans to publicly file all final expense data received from ISO-NE that is assessed to CL&P to serve the self-managed load; all RPS expense data for the previous year's associated self-managed load; and, the value of all of the previous year's bilateral purchases made to hedge the self-managed load, credited against the ISO-NE expense data. In combination, this data will disclose the total cost to customers of CL&P's self-managed load for the previous year. CL&P believes this summary filing will therefore reveal all pertinent details of self-management activity, and is an appropriate and reasonable disclosure protocol in response to RESA's request. CL&P will also preview the summary filing with the Procurement Manager, prior to filing, to ensure it is consistent with the objectives of the disclosure protocol announced by the PURA in this docket. Id.

D. UI

UI supports the recommendations set forth by the PM. UI believes the requirements of its SS customers are best served by a procurement plan that is flexible and able to respond to rapid changes in the wholesale power market. The PM's recommendations will help ensure that the Plan continues to secure competitively priced SS in an expeditious manner.

On the disclosure issue raised by RESA, UI urges that the confidentiality of procurement information continue to be protected, whether the information pertains to competitive procurements or the self-managed portfolio procurement method. UI believes that the Authority should continue to apply the standard articulated in the protective order granted to CL&P in Docket No. 12-06-02 on June 24, 2013. The Authority granted protection for the following confidential materials: (i) daily self-management activities, such as load forecast and ISO scheduling, daily and/or hourly power supply balancing and market conditions reports; (ii) weekly activities such as weather and load evaluation data; and (iii) modeling and analytical tools for hedging and standard service ratemaking associated with the daily and/or weekly transactions executed by CL&P to meet its power supply needs; (iv) analysis of hedge activity including scenario analysis; and (v) summary and detailed information of bilateral energy purchases including average load, counterparty identity, and other bilateral contract information. UI requests that the Authority continue to grant protection to any information that falls within these categories for the reasons discussed by CL&P in its June 19, 2013 Motion for Protective Order in Docket No. 12-06-02. UI Written Comments, May 13, 2014, pp. 7-8.

On the issue of self-management, UI proposes that the Plan be modified to allow the PM, in consultation with the affected EDC, to change the percentage of SS to be self-managed as necessary to meet the goals of Conn. Gen. Stat. §16-244m without the need for an amendment to the Plan. Any percentage of self-managed SS load specified in the Plan should not be hardwired, but rather should be a targeted level of self-management under market conditions that exist at the time that the Plan is approved. More specifically for UI, the Plan should provide that UI will continue to seek bids for full-requirement service on a quarterly basis, and that UI will continue to purchase full-requirements service to meet its SS requirements if sufficient competitively priced bids are received. To the extent that sufficient competitively priced bids for full-requirements service are not received, the PM, in consultation with UI, may direct that UI self-manage a percentage of the SS load that is appropriate to further the goals of Conn. Gen. Stat. §16-244m. In other words, the targeted level of self-management for UI should continue to be 0% under market conditions that allow for the procurement of competitively priced full-requirements service, but that the PM and UI have the latitude to change this percentage should market conditions dictate. Id. pp. 2-5.

E. NEPGA

NEPGA is supportive of the establishment of a protocol for greater public disclosure of information surrounding CL&P's self-managed portfolio. It was concerned that distribution companies self-managing their own SS load removes much of the transparency from the process. NEPGA does not support the practice of managed portfolio procurement by utilities and views the practice as harmful to both the wholesale and retail electric competition as well as utility customers. NEPGA comments, May 13, 2014, pp. 1 and 2.

F. OCC

The OCC asserts that the purchasing strategies used by the EDCs should be considered confidential business information. The EDCs enter into bilateral

arrangements with marketers, generators, and other counterparties that need to be protected in order to meet the paramount goal of SS being a viable alternative and safe haven for customers. The OCC has been able to coordinate and communicate with the PM and the EDCs to make sure that the customer interest is protected in the new procurement processes. OCC Comments, July 7, 2014.

The OCC is also supportive of the PM recommendation of greater flexibility for the EDCs to self-manage additional portions of their load. Due to volatile wholesale market conditions, it may be more difficult at times to procure power in advance at reasonable rates. On the flip side, volatile market conditions can create opportunities to reduce costs if wholesale prices suddenly fall (for example, if a winter is turning out to be warmer or shorter than normal), but only if a portion of the SS load is being met with short-term purchases. Id.

The OCC believes that the EDCs should file any requests for regulatory approval and any compliance filings publicly. The OCC posits, however, that the Legislature intended through Conn. Gen. Stat. §16-244m to give broad authority to the PM and the EDCs to develop the SS products through solicitation processes that would necessarily need to be conducted in a confidential manner and without requiring scrutiny by the PURA of each contract. The Legislature also showed that they recognized the sensitive nature of standard service purchasing by authorizing the PURA to keep technical meetings on plan amendments confidential “to the full extent allowed by law.” Conn. Gen. Stat. §16-244m(b). Based on the statutory framework, the OCC urges the PURA to lean heavily toward maintaining the confidentiality of documents relating to standard service purchasing. The OCC believes that confidentiality would need to be determined case-by-case, but notes that the format of a report might reveal that CL&P and the PM are engaged in a purchasing activity. Information about the nature of purchasing activities may need to be shielded from those, like RESA members, who provide a competing product. The PURA should avoid revealing any confidential information about contractual relationships in SS purchasing, as such revelations might undermine the ability of the PM and the EDCs to meet their statutory mission of making SS a high-quality, low-cost option for customers. OCC Written Comments, May 13, 2014, pp. 2 and 3.

The OCC agrees that future petitions by the PM to adjust the Plan should be in writing to the PURA. The OCC anticipates that the PM may seek, and suggests that the PURA strongly consider granting, confidential status to any such petition that may reveal purchasing modes or strategies. As discussed above, Conn. Gen. Stat. §16-244m(b) only requires that interim amendments to a procurement plan to be discussed among the PM, the DEEP, the PURA, the OCC, and the EDCs, and the provision expressly allows the PURA to maintain confidential of a technical meeting to consider such an amendment “to the full extent allowed by law.” The legislation does not contemplate consultation or sharing of information with retail suppliers on SS Plan amendments. Id., pp. 5 and 6.

The OCC states that information regarding the self-managed portion should be kept confidential. The OCC believes that the data is appropriate to publicly disclose, after some reasonable period of time, is bidding and purchasing data where the manner

of CL&P's purchasing is in fact known to the public, for example, as to the 70% of the portfolio that is not being self-managed. Id., pp. 4 and 5.

III. AUTHORITY ANALYSIS

The Authority approves the PM's proposed modifications to the 2012 Procurement Plan as described below. Under the proposed structural modification, the EDCs would conduct procurement events according to the following process. Each EDC will schedule four SS procurements per year, in a pattern of 6- and/or 12-month contracts, such that each rate period will reflect an average of contracts awarded during approximately three to four different procurement dates. The EDCs, with the consent of the PM, may add or drop procurement events if warranted, while still ensuring a diversity of procurement dates. For example, if the PM and the EDCs reject all bids on a procurement day, an additional procurement date would be scheduled. Alternatively, if sufficient contracts at favorable prices have been awarded to complete a service term, the remaining procurements for that service term would not be needed. The Authority finds that this structure is reasonable and complies with Conn. Gen. Stat. §§16-244m and 16-244c(a).³

³ Conn. Gen. Stat. §16-244c. Standard service. Alternative standard service. Supplier of last resort. Back-up generation service. Participating electric suppliers. (a)(1) On and after January 1, 2007, each electric distribution company shall provide electric generation services through standard service to any customer who (A) does not arrange for or is not receiving electric generation services from an electric supplier, and (B) does not use a demand meter or has a maximum demand of less than five hundred kilowatts.

(2) Not later than October 1, 2006, and periodically as required by subdivision (3) of this subsection, but not more often than every calendar quarter, the Public Utilities Regulatory Authority shall establish the standard service price for such customers pursuant to subdivision (3) of this subsection. Each electric distribution company shall recover the actual net costs of procuring and providing electric generation services pursuant to this subsection, provided such company mitigates the costs it incurs for the procurement of electric generation services for customers who are no longer receiving service pursuant to this subsection.

(3) An electric distribution company providing electric generation services pursuant to this subsection shall cooperate with the procurement manager of the Public Utilities Regulatory Authority and comply with the procurement plan for electric generation services contracts. Such plan shall require that the portfolio of service contracts be procured in such manner and duration as the authority determines to be most likely to produce just, reasonable and reasonably stable retail rates while reflecting underlying wholesale market prices over time. The portfolio of contracts shall be assembled in such manner as to invite competition; guard against favoritism, improvidence, extravagance, fraud and corruption; and secure a reliable electricity supply while avoiding unusual, anomalous or excessive pricing. An affiliate of an electric distribution company may bid for an electric generation services contract, provided such electric distribution company and affiliate are in compliance with the code of conduct established in Conn. Gen. Stat. §16-244h.

(4) The procurement manager of the Public Utilities Regulatory Authority may retain the services of entities as it sees fit to assist with the procurement of electric generation services for standard service. Costs associated with the retention of such third-party entity shall be included in the cost of standard service.

(5) For standard service contracts procured prior to the Authority's approval of the Procurement Plan, each bidder for a standard service contract shall submit its bid to the electric distribution company and the third-party entity who shall jointly review the bids and submit an overview of all bids together with a

The Authority also approves the proposal to allow the PM and EDCs greater flexibility to adjust the quantity of SS supply that may be procured through EDC SS supply portfolio self-management. If facts and circumstances exist that lead the PM and EDCs to believe that all bids received during a SS procurement should be rejected or that a scheduled procurement should be cancelled, the PM may authorize the either of EDCs to self-manage portions of SS load. PM Written Comments, May 13, 2014, p. 2. The Authority wants to make clear that it is approving the PM's ability to direct EDC procurement of SS through self-management as a structural feature of the Plan. In other words, the PM does not have to seek an amendment or interim approval to exercise this option to vary the level of EDC self-management. However, the PM must notify the Authority in writing immediately upon making a decision to direct the EDCs to procure a greater portion through self-managed procurements than is currently approved – 30% for CL&P and 0% for UI. The written notice must identify the EDC and the percentage of self-managed procurement the EDC has been directed to accomplish.

With respect to future proposed amendments to the Plan, the Authority will require that any requests for amendments be submitted in writing for purposes of transparency of the Authority's decision making process with respect to its review and approval of the Plan. The EDCs and the OCC have a right to request a technical meeting. This right to a technical meeting may be waived in writing. So, if the PM wishes to immediately amend the Plan to address an emergency or time-sensitive issue, the PM may submit the request in writing to the Authority. If the request indicates that the OCC and EDCs agree with the proposal and waive their right to a technical meeting, the Authority has the ability to issue an expedited ruling on the request.

For purposes of efficiency and to achieve some of the benefits identified by the PM in his recommendations on this issue, the Authority approves the PM's proposal to conduct and approve SOLR procurement results in the same manner as SS. On bid days, the PM will review SS and SOLR contracts recommended by the EDCs and approve (or reject) the recommended SS and SOLR contracts on the same day that the bids are received. The Authority finds that Conn. Gen. Stat. §§16-244m, 16-244c, and 16-2(l) provide authority for the PM to conduct the SS and SOLR procurement processes in this manner. The Authority finds that this process furthers all of the procurement statutes' objectives in a more efficient and cost effective manner with respect to the actions required by the Authority, the PM and the EDCs.

On the issue establishing a protocol for the disclosure of information on the self-managed load, the Authority approves the proposal of the PM. The Authority finds that the PM's proposal discloses the appropriate amount and type of information at the appropriate time after the procurement.

joint recommendation to the Authority as to the preferred bidders. The Authority may, within ten business days of submission of the overview, reject the recommendation regarding preferred bidders. In the event that the Authority rejects the preferred bids, the electric distribution company and the third-party entity shall rebid the service pursuant to this subdivision. The Authority shall review each bid in an uncontested proceeding that shall include a public hearing and in which any interested person, including, but not limited to, the Consumer Counsel, the Commissioner of Energy and Environmental Protection or the Attorney General, may participate.

Highly sensitive, confidential, and proprietary information is exempt from public disclosure pursuant to the Freedom of Information Act.⁴

The Authority finds that the following types of information related to EDC SS supply portfolio self-management is exempt from disclosure pursuant to Conn. Gen. Stat. §1-210(b)(5): proposed strategies and analysis for purposes of self-managing a portion of its SS load, including certain information and details regarding its self-management of a portion of its SS load, such as (i) daily self-management activities, such as load forecast and ISO scheduling, daily and/or hourly power supply balancing and market conditions reports; (ii) weekly activities such as weather and load evaluation data; and (iii) modeling and analytical tools for hedging and SS ratemaking associated with the daily and/or weekly transactions executed by the EDC to meet its power supply needs; (iv) analysis of hedge activity including scenario analysis; and (v) summary and detailed information of bilateral energy purchases including average load, counterparty identity, and other bilateral contract information. The Authority finds that disclosure of these types of proprietary strategy and analysis would cause substantial competitive harm and frustrate the furtherance PM and EDCs' statutory SS procurement objectives.

Based on the foregoing, the Authority will direct disclosure of self-management activity information as outlined below:

- a. For each rate period, CL&P will publicly file the following information regarding its costs to serve the self-managed load: (1) all costs paid to ISO-NE to serve the self-managed load for the rate period, (2) all costs associated with bilateral transactions to serve the self-managed load, including costs incurred for the procurement of RECs.
- b. CL&P will provide this information no later than five months following the end of a rate period. For rate periods that end on June 30, the information will be provided no later than December 1, and for rate periods that end on December 31, the information will be provided no later than June 1 of the following year. This timeline accommodates ISO-NE's settlement and billing procedures. In the event that ISO-NE's settlement and billing period procedures change, the due date for CL&P to file the information regarding the self-managed load will be adjusted accordingly by the PM, and the revised due date will be submitted for PURA approval in the next annual Plan review.

⁴ Conn. Gen Stat. §1-210(b)(5) specifically provides: (b) Nothing in the Freedom of Information Act shall be construed to require disclosure of...

(5) (A) Trade secrets, which for purposes of the Freedom of Information Act, are defined as information, including formulas, patterns, compilations, programs, devices, methods, techniques, processes, drawings, cost data, customer lists, film or television scripts or detailed production budgets that (i) derive independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use, and (ii) are the subject of efforts that are reasonable under the circumstances to maintain secrecy; and (B) Commercial or financial information given in confidence, not required by statute.

- c. If CL&P continues to procure RECs for a rate period after the due date stated in (b), CL&P will inform the Procurement Manager of such purchases. Upon completion of all REC purchases for a calendar year, CL&P will file updated information regarding REC purchases with its next regular public filing of the information under (a), above.
- d. In the event that UI self-manages any portion of its Standard Service load, the same reporting protocol will apply.

PM Written Comments, July 7, 2014, pp. 1-4.

IV. CONCLUSION AND ORDERS

A. CONCLUSION

The Authority approves modifications to the Plan as detailed above.

B. ORDERS

For the following Orders, submit one original of the required documentation to the Executive Secretary, 10 Franklin Square, New Britain, Connecticut 06051 and file an electronic version through the PURA's website at www.ct.gov/pura. Submissions filed in compliance with the PURA's Orders must be identified by all three of the following: Docket Number, Title and Order Number.

1. No later than September 30, 2014, the PM shall file a very brief and concise narrative outline of the procurement plan that conforms to the Authority's Decisions in this proceeding describing the procurement process to be followed up until the next plan is approved by the PURA.
2. No later than January 1, 2015, and annually thereafter, the PM shall file with the Authority the proposed procurement plan.

**DOCKET NO. 12-06- REQUEST FOR PURA REVIEW OF POWER
02RE01 PROCUREMENT PLAN - REOPENING**

This Decision is adopted by the following Commissioners:

Arthur H. House

John W. Betkoski, III

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, and was forwarded by Certified Mail to all parties of record in this proceeding on the date indicated.



Nicholas E. Neeley
Acting Executive Secretary
Public Utilities Regulatory Authority

August 13, 2014

Date