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Also admitted in District of  
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*Via Electronic Filing and First Class Mail*

November 13, 2012

Kimberley J. Santopietro  
Executive Secretary  
Public Utilities Regulatory Authority  
10 Franklin Square  
New Britain, CT 06051

**Re: Docket No. 12-05-04: PURA Review of Electric Bill Charges and Costs**

Dear Ms. Santopietro:

Enclosed please find the Joint Response of Dominion Retail, Inc. and the Retail Energy Supply Association to the Public Utilities Regulatory Authority's (Authority) Interrogatory RA-15 in connection with the above-referenced matter.

I certify that a copy hereof has been sent to all participants of record as reflected on the Authority's service list as of this date. A copy has also been filed with the Authority as an electronic web filing and is complete.

Please do not hesitate to contact me if you have any questions or require additional information. Thank you.

Very truly yours,



Joey Lee Miranda

Enclosure

Copy to: Service List



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STATE OF CONNECTICUT  
PUBLIC UTILITIES REGULATORY AUTHORITY

Docket No. 12-05-04

Witnesses Responsible:

Stuart Ormsbee  
Retail Energy Supply Association (“RESA”)<sup>1</sup>

Jeff L. Jones  
Dominion Retail, Inc.

Date: November 13, 2012

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RA-15 (GENERATION SERVICE) Suppliers Joint Written Comments dated July 10, 2012, p. 3. Identify the costs associated with providing generation service that the Suppliers believe are also being captured in the Electric Distribution Companies (EDC) distribution rates.

JOINT  
RESPONSE:

As indicated in response to Interrogatory RA-14, the electric distribution companies (“EDCs”) essentially incur three types of costs to provide generation services to their customers: (a) wholesale costs; (b) procurement and energy provision costs; and (c) administrative and ancillary costs.<sup>2</sup> Since customers that choose retail suppliers are no longer receiving Standard Service or Last Resort Service from the EDCs, *all of these costs* should be properly allocated and recovered in the bypassable portion of rates. However, based on a review of the information available to Dominion Retail, Inc. and the Retail Energy Supply Association (the “Suppliers”), it appears that the following costs

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<sup>1</sup> RESA’s members include: Champion Energy Services, LLC; ConEdison *Solutions*; Constellation NewEnergy, Inc.; Direct Energy Services, LLC; Energetix, Inc.; Energy Plus Holdings LLC; Exelon Energy Company; GDF SUEZ Energy Resources NA, Inc.; Green Mountain Energy Company; Hess Corporation; Integrys Energy Services, Inc.; Just Energy; Liberty Power; MC Squared Energy Services, LLC; Mint Energy, LLC; NextEra Energy Services; Noble Americas Energy Solutions LLC; PPL EnergyPlus, LLC; Reliant; Stream Energy; TransCanada Power Marketing Ltd. and TriEagle Energy, L.P.. The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of RESA.

<sup>2</sup> See Suppliers’ Response to Interrogatory RA-14 for additional detail regarding these costs.

are currently being (or are expected to be) improperly recovered in the nonbypassable portion of the EDCs' rates:

- ISO Schedule 2<sup>3</sup>
- ISO Schedule 3<sup>4</sup>
- GIS administration<sup>5</sup>
- ISO Load Response<sup>6</sup>
- Costs associated with the use of market products power procured through contracts with two Department of Energy and Environmental Protection selected renewable energy projects to the extent used to serve Standard Service or Last Resort Service load<sup>7</sup>
- Costs associated with the self-managed portion of The Connecticut Light and Power Company ("CL&P") Standard Service portfolio,<sup>8</sup> including without limitation, portfolio management and hedging costs and collateral, working capital and/or financing costs.

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<sup>3</sup> See Docket 12-08-01, *PURA Semi-Annual Reconciliation of the Federally Mandated Congestion Cost and Generation Service Charges of The Connecticut Light and Power Company and The United Illuminating Company*, Semi-Annual Reconciliation of CL&P's Federally Mandated Congestion Costs and Generation Services Charge, dated August 2, 2012 (indicating that CL&P currently collects this cost in the nonbypassable portion of rates).

<sup>4</sup> *Id.* (indicating that CL&P currently collects this cost in the nonbypassable portion of rates).

<sup>5</sup> *Id.* (indicating that CL&P currently collects this cost in the nonbypassable portion of rates).

<sup>6</sup> See *Id.* (indicating that CL&P currently collects this cost in the nonbypassable portion of rates); Docket 12-08-01, *PURA Semi-Annual Reconciliation of the Federally Mandated Congestion Cost and Generation Service Charges of The Connecticut Light and Power Company and The United Illuminating Company*, United Illuminating Company Semi-Annual Reconciliation of FMCC/GSC - August 2012, dated August 8, 2012 (indicating that UI currently collects this cost in the nonbypassable portion of rates).

<sup>7</sup> See Docket 12-05-13, *Application for Approval of Renewable Power Purchase Agreements Totaling 10 Megawatts Resulting from Department of Energy and Environmental Protection's December 2011 Requests for Proposals Pursuant to Section 127 of P.A. 11-80*, Revised Draft Decision, dated November 9, 2012, at 6 (authorizing the collection of these costs in the nonbypassable portion of rates even if the contracts are used to serve Standard Service and/or Last Resort Service load).

<sup>8</sup> See Docket 12-06-02, *Request for PURA Review of Power Procurement Plan*, Final Decision, dated October 12, 2012 (authorizing CL&P to engage in self-management of 20% of its Standard Service load).

In addition to the specific costs listed above, there may be other costs of which the Suppliers are unaware that are currently being improperly collected in the nonbypassable portion of rates. Thus, due to the lack of transparency of these potential other costs and because the EDCs are in the best position to provide specific information about where costs are collected, the Suppliers request that the Authority require the EDCs to provide information about where each of the costs identified in the Suppliers' response to Interrogatory RA-14 are currently collected and, to the extent they are not already, to recover those costs through the bypassable portion of rates. Moreover, as indicated in the Suppliers' response to Interrogatory RA-14, the Authority should also ensure that each of the costs included in each bypassable rate component captures *all* applicable costs. For instance, although both EDCs include Regulatory Commission Expense/Regulatory Assessment Expense as a bypassable charge, it is not clear if that expense includes assessments imposed by both the Authority *and* the Connecticut Siting Council ("Council").<sup>9</sup>

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<sup>9</sup> See Conn. Gen. Stat. § 16-50v(b)(1) (assessing Council expenses "among those persons having gross *revenue from the sale of electric power at retail* in the state in excess of one hundred thousand dollars during the preceding calendar year, in the proportion which the gross revenue of each such person bears to the aggregate gross revenues of all such persons.") (emphasis added).

**CERTIFICATION**

I hereby certify that a copy of the foregoing was sent to all participants of record on this  
13<sup>th</sup> day of November 2012.

*JL Miranda*

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Joey Lee Miranda