

Draft Ruling Approves CT Natural Gas Expansion Plan

DAVE COLLINS, Associated Press

HARTFORD, Conn. (AP) — Connecticut regulators issued a draft ruling on Wednesday approving an ambitious, massive plan to expand natural gas service to about 280,000 new customers across the state over the next decade.

The initial ruling by the Public Utilities Regulatory Authority, or PURA, approves a proposal by the three investor-owned gas companies in the state — Connecticut Natural Gas, Southern Connecticut Gas and Yankee Gas.

The typical homeowner would face no up-front connection costs and would pay an extra 10 percent premium on their monthly bills for 10 years, while average-size businesses would pay an extra 50 percent premium on their monthly bills over a decade. PURA did not release costs to average consumers in dollar figures.

PURA is taking written comments on the proposal until Nov. 12 and intends to hear arguments on Nov. 14. The agency expects to issue a final ruling on Nov. 21.

The proposal comes amid a nationwide boom in natural gas production that has aroused fierce opposition from environmentalists over hydraulic fracturing, or fracking, that's used to draw gas from the ground.

Small, family-owned heating oil business opposed the Connecticut plan, saying it would hurt their companies. The Connecticut Energy Marketers Association and the Propane Gas Association of New England said the plan would create more competitive disadvantages for heating oil and propane dealers.

But PURA and Gov. Dannel P. Malloy supported the expansion, saying it would provide cleaner, cheaper and more reliable energy for consumers and be better for the environment.

"The action today by utility regulators is great news for Connecticut consumers," Malloy said in a statement Wednesday. "The approval of this expansion and our efforts to increase energy efficiency will mean lower monthly bills, a more competitive posture for our businesses and new jobs and improved air quality."

Malloy and legislators enacted a law earlier this year authorizing PURA to approve a new rate plan to finance the massive 10-year program.

PURA said a rate increase for existing gas consumers "may be inevitable," but it "wants to ensure that any increases in rates for existing customers are minimized." The expansion's effect on existing customers' bills wasn't immediately clear Wednesday.

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Yankee Gas, a subsidiary of Northeast Utilities, said capital spending for the expansion would be \$35 million next year and more than \$96 million in 2015 and 2016.

Southern Connecticut Gas Co. said capital spending would be \$61 million in the three years while Connecticut Natural Gas expects capital spending of about \$47 million in the same period.

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