# The Authority: PURA chair secretly issues decisions under secretary's name

by Marc E. Fitch January 5, 2025

Marc E. Fitch September 15, 2024



Connecticut's major utility companies, Eversource and Avangrid, are fighting a nuanced administrative battle with Connecticut's Public Utilities Regulatory Authority (PURA), claiming PURA Chairwoman Marissa Gillett has secretly issued thousands of decisions under the cover of PURA Executive Secretary Jeffrey Gaudiosi's signature block, essentially making herself "the Authority," according to docket filings, letters, Freedom of Information requests, and court documents.

The utility companies claim Gillett has appointed herself presiding officer in

all matters that come before PURA and has used this designation to issue substantive decisions affecting both the utility companies and ratepayers under Gaudiosi's signature block, effectively hiding the fact that it was a decision of the presiding officer, rather than the commission as a whole.

Connecticut's regulatory check on utility companies means they must file motions with PURA to build new projects, make repairs, issue new contracts, change their rates – virtually anything that may affect ratepayers' wallets. PURA's final decisions are a vote by all commissioners and contain the executive secretary's signature block, along with the results of the vote and all the commissioners' signatures.

The utility companies claim that in the past Gaudiosi's signature block alone – without any commissioner names or signatures – meant a decision was made "by the Authority," and was reserved for administrative and "ministerial" decisions, like requesting a deadline extension.

However, they contend that since 2020 that signature block has also meant a decision by Gillett acting as presiding officer, giving the impression that thousands of decisions were made by the full Authority, rather than the presiding officer alone. It matters because a decision by the presiding officer (or rather the hearing officer — more on that later) can be appealed for a vote by all the commissioners. In their view, the utility companies have essentially been deceived by Gillett who has taken it upon herself to act as "the Authority" under Gaudiosi's signature.

The issue has largely been fought through a series of docket filings and letters from Avangrid's attorneys to PURA over a gas rate case after both Eversource and Avangrid noticed Gaudiosi's signature attached to substantive decisions when no vote had been taken by PURA members. The issue has been raised to Gov. Ned Lamont in a meeting between utility

providers, the governor, and the Department of Energy and Environmental Protection (DEEP), which oversees PURA. Naturally, everyone had their attorneys present.

<u>Freedom of Information requests</u> made by the utility companies to DEEP for "records of any and all votes taken by the PURA commissioners" for six motions filed in Avangrid's gas rate case revealed there were none. A second request for internal communications concerning those motions was denied by DEEP, saying they were "preliminary drafts or notes," and therefore exempt from FOI laws. Several other FOI requests are pending.

Thus far, PURA and Connecticut's Office of the Attorney General have brushed off these claims as "<u>much ado about nothing</u>," in response to an <u>August 23 letter</u> sent by Avangrid attorney Daniel Venora that questioned the legality of Gaudiosi's signature on substantive decisions.

PURA wrote – somewhat cheekily under Gaudiosi's signature again – that the utility companies were confused; that it was "long-standing practice" and "all procedural, evidentiary, and other intermediate rulings in a contested proceeding are issued by the presiding officer and are not delegated to the Executive Secretary."

"Notwithstanding this custom, it is but a truism that the presiding officer, not the Executive Secretary, conducts PURA's proceedings – a self-evident maxim so grounded in statute, regulation, and practice that it requires no explanation," "Gaudiosi" wrote. "As such, the Companies' confusion as to the respective roles of the presiding officer and the Authority's Executive Secretary seems largely contrived and much ado about nothing. Importantly, the customary signature block causes no prejudice to the Companies substantive or procedural rights and has no legal effect on the presiding officer's rulings."

The utility companies, however, don't think of it as "much ado about nothing," particularly when facing credit downgrades that specifically cite Connecticut's regulatory environment. <u>Avangrid's two gas utilities</u> and <u>Eversource</u> saw their credit ratings lowered in December of 2024, prompting both utilities to lay blame on PURA.

While the average Connecticut ratepayer – already paying some of the highest utility costs in the country – may revel in the fact that PURA is sticking it to the utilities, those lower credit ratings mean it may actually cost ratepayers more for future infrastructure improvements, repairs, and the state's transition to cleaner energy.

Connecticut's <u>Office of Consumer Counsel</u> – and consumer counsel offices in other states – acknowledged the rating decrease could increase future costs, but brushed off the utilities' claims as "alarmist," essentially reminding them their rates can only change with PURA's permission.

House Republican Leader <u>Vincent Candelora</u>, R-<u>North Branford</u>, said the credit downgrades are "a clear rebuke of toxic regulatory environment fostered by the Lamont administration and legislative Democrats."

"They ignore the heavy cost associated with their policies and mandates on utilities, while at the same time delaying the recovery of the costs," Candelora said. "If these utilities decide to pull out of Connecticut, the state's energy future grows even bleaker. The financial markets, an impartial judge, have made their verdict clear: these policies are unsustainable and will drive our state further into an affordability crisis."

Part of the regulatory environment affecting Connecticut's utilities is the issue with Gaudiosi's signature and whether thousands of motions filed by utility companies were administered properly or were, instead, the decisions of one person. It affects not just Eversource and Avangrid, but also smaller

solar developers, energy suppliers, telecom companies and ratepayers.

Had the companies known that Gaudiosi's signature was conferring a decision by the presiding officer and not the entire Authority, the <u>company</u> could have — and say they would have — appealed for a vote by all three commissioners. Instead, they had to wait until the matter ended and file their appeal in superior court.

While this all sounds like boring, legal hairsplitting that only affects multibillion-dollar corporate utility companies, that is not always the case; it directly affects ratepayers, too. Decisions have been issued by Gillett, under Gaudiosi's signature, that have cost ratepayers' money or have delayed the return of ratepayer money through reduced utility rates.

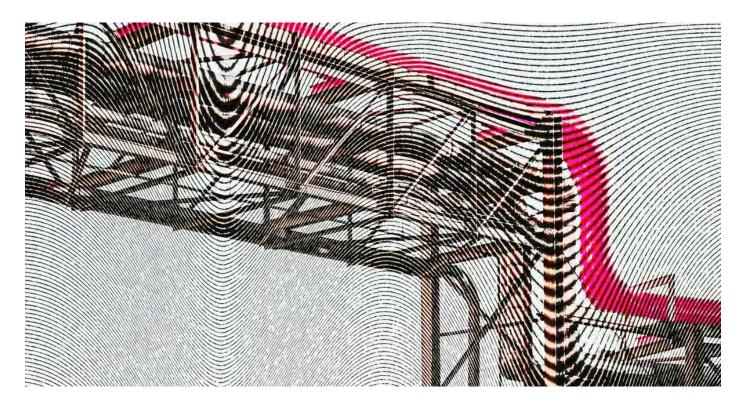
On April 24, 2023, the chairmen of the General Assembly's Energy and Technology Committee Sen. Norm Needleman, D-Essex, and Rep. Jonathan Steinberg, D-Westport, sent a letter to Gillett asking her to extend the state's COVID-era shutoff moratorium until October 31, 2023, claiming it will "ensure that families who are struggling financially do not have to face the added stress of disconnection during these difficult times," despite earlier COVID restrictions being lifted and the country returning to normal work routines.

Three days later, a ruling was issued that <u>extended the shut-off moratorium until May 2, 2024</u>, which included the statutory winter shutoff protections. That one decision added an additional \$70 million to ratepayers tab to cover the nonpayment of residents' electric bills. That tab was later collected as part of a <u>massive increase to the public benefits charge</u> on ratepayers' bills, sparking prolonged public outrage, political finger pointing and a renewed interest in how Connecticut utilities are regulated.

That \$70 million decision, however, was signed not by the PURA

Commissioners, but by Executive Secretary Jeffrey Gaudiosi. There was no official vote by the commissioners; it was solely the decision of the presiding officer, Marissa Gillett. One wouldn't know that reading the decision which explicitly states numerous times it is a decision by "the Authority."

"The Authority grants Motion No. 88, and accordingly, extends the Shut-Off Moratorium until October 31, 2023," Gillett wrote using Gaudiosi's signature.



## 5,000 motions across 535 dockets

Although the shut-off moratorium decision is likely the most easily understood and visible example of how these legally questionable decisions can affect Connecticut residents, it is not the only one.

In 2022, a decision signed by all PURA commissioners terminated Connecticut's nearly decade-long natural gas expansion. Normally, that meant revenue tied to the sale of interstate natural gas pipeline capacity could be returned to natural gas ratepayers through the Purchased Gas

Adjustment clause, but the Authority said that revenue would not be credited back to customers but rather held back to offset future rate increases.

While Eversource and Avangrid did not object to terminating the natural gas expansion, they did file a motion for reconsideration to return the money to ratepayers immediately through a credit on their bills. This motion for reconsideration was <u>rejected in June of 2022 by Gillett</u> under Gaudiosi's signature block: "The Authority denies Motion No. 26."

It wasn't until 2024 that the revenue credit was returned to ratepayers. The whole issue created cash flow problems for the utilities and was <u>specifically</u> <u>cited by S&P</u> as contributing to the credit rating decrease for Avangrid's gas companies: "CNG to implement an \$8 million annual credit to ratepayers over three years as a result of surplus revenues from gas sales and hardship revenues."

Adding to the questionable legality of the decision to withhold millions in customer credits for two years, is that under <u>Connecticut statute</u>, an agency decision made after reconsideration "shall become the final decision in a contested case in lieu of the original final decision for purposes of appeal," even if reconsideration was requested but not granted. Final decisions must be signed by a majority of commissioners, however, and the utilities argue that in this case there were no signatures other than Gaudiosi's.

According to numbers provided by Eversource, since January 2020, approximately 5,000 motion rulings across 535 dockets were issued with only Gaudiosi's signature block. Of that number, they determined that roughly 1,000 were substantive decisions that included factual findings and legal conclusions purportedly by the Authority.

Less than ten were signed by all three commissioners, leaving the possibility that a single presiding officer has issued nearly one thousand rulings on substantive issues while disguising that ruling as one made by the entire commission under the executive secretary's signature.

In the August 23 letter to Gaudiosi, attorney for Avangrid, Daniel P. Venora points out that an August 16 decision issued under Gaudiosi's name contained factual findings purportedly by "the Authority," and notes that one motion was "addressed to the full panel of Commissioners," because the utility company had "growing concern as to the actual validity of 'the Authority's' decisions on the Companies' motions."

Avangrid had accused Gillett of bias and ex parte communications with the Office of Education, Outreach, and Enforcement (EOE). PURA's response was that it found "no credible evidence of ex parte communications between the Chair and EOE," and no credible evidence of bias. It was signed by Gaudiosi alone.

"As was the case with all previous rulings you issued during the proceeding, the August 16th Decision purported to be issued on behalf of 'the Authority.' This Decision denied the Companies' Motion No. 116 on substantive grounds, vastly exceeding any form of ministerial procedural ruling," Venora wrote. "The August 16th Decision therefore renders 'findings' of 'the Authority' that appear to be beyond the scope of your role as Executive Secretary. Without a proper delegation of authority from the PURA commissioners, it would appear that this decision is improper, invalid and void."

Essentially, Avangrid accused Chairman Gillett of bias and improper communications and, based on PURA's response, it appears Gillett investigated herself and found nothing wrong – at least as far as anyone can tell because the <u>FOI request</u> asking for any records and votes taken by PURA commissioners in reference to that motion returned nothing.

In an October 25, 2024, filing, Avangrid highlighted the fact that its gas companies' credit ratings had been downgraded to "negative" due to the "unpredictable" regulatory environment and doubled down on their allegation of bias and actions by the chairwoman that are "contrary to administrative process and Connecticut law."

"The Companies recognize the seriousness of these concerns and do not raise them lightly," the attorneys wrote before a listing off six issues "to be preserved for appeal."

They included Gaudiosi's signature on all intermediate rulings that were issued "solely by the Presiding Officer;" documented ex parte communications between the presiding officer and EOE director; improper withholding of public records; and flawed procedural and substantive rulings that "prejudiced the Companies' ability to conduct their case and obviated the Companies opportunity to have the full Commission review the Presiding Officer rulings due to the false representations therein that the rulings were by "the Authority."

On December 17, 2024, United Illuminating filed an appeal to the Freedom of Information Commission alleging PURA is withholding a document they claim they know exists: an email from Gillett to PURA personnel "stating that Chairman Gillett will act as Presiding Officer on any or all matters coming before PURA."

"The agency has not denied the existence of any documents responsive to the request, nor has it asserted any exemptions for any of the requested records. Nonetheless, PURA has failed to provide the responsive records," attorney Thomas J. Murphy wrote. "Upon information and belief, PURA's withholding of this documentation is knowing and intentional. UIL and other utilities have objected to actions and positions taken by PURA and Chairman Gillett that failed to adhere to PURA's statutory obligations to discharge its quasi-judicial oversight of utilities in a fair and impartial manner."

The utility companies also cite <u>an email directive</u> sent out by PURA General Counsel Scott Muska in an August 2022 notice to utility companies indicating that any filings that require approval by PURA should be filed as a motion, thus giving the presiding officer power to approve or deny those requests.

According to the utility companies' argument, since Gillett is the presiding officer in every docket and everything must be filed as a motion in all dockets, and the presiding officer decides all intermediary rulings, issuing those decisions under the executive secretary's signature and attributing them to "the Authority," thousands of motions across hundreds of dockets over four years have been legally tainted.



### presiding officer or hearing officer or both?

Much of this debate hinges on the statutory definitions of a "presiding officer," and a "hearing officer," and the powers granted under those definitions. It appears those two definitions have been conflated both in statute and practice by nearly everybody, despite PURA's contention that they are distinct and different.

According to <u>state statute</u>, the PURA chair may assign a panel of three commissioners to a matter coming before PURA, and those commissioners may, if they choose, "assign a hearing officer to ascertain the facts and report thereon to the panel." The panel then issues the final decision. Nowhere in that statute does it say that the commissioner may appoint themselves hearing officer in every case, nor does it mention a presiding officer – a position that is defined as part of the state's <u>Uniform</u>
Administrative Procedure Act.

In response to a series of questions posed by Inside Investigator, PURA Director of Legislation, Regulations and Communications Taren O'Connor said that Gillett "will generally designate herself as the presiding officer," but denies that Gillett has been the presiding officer in every docket. Although PURA does not "explicitly track panel assignments," O'Connor offered up three examples in which Commissioner John Betkoski and Commissioner Michael Caron acted as presiding officer for a docket.

O'Connor also said the two terms "hearing officer" and "presiding officer," are not the same and "carry distinct legal definitions and procedural implications." She said that Gillett "does not act as the hearing officer," and that hearing officers are rarely used by PURA; when a hearing officer is assigned the officer is generally a staff member.

"In all cases, under General Statutes § 4-166(13), the presiding officer is the commissioner designated by the head of the Agency (which, for PURA, is the

Chair) to preside at a hearing of the panel of commissioners," O'Connor wrote. "Regardless of the presiding officer designation, the full panel of commissioners remains assigned to the matter and is expected to participate in both the proceeding and commissioner deliberations. All final decisions of the Authority require at least a majority of affirmative votes from the panel."

As far as the three-person panel assigned to each matter, since there have only been three commissioners for most of the last four years, every matter has been assigned to the entire Authority by default, and since Gillett is head of the Authority, it essentially becomes her responsibility to run the meetings and hearings.

The full definition of "presiding officer" under the state statute, however, appears to conflate the terms "hearing officer" and "presiding officer. A presiding officer is defined as "the member of an agency or the hearing officer designated by the head of the agency to preside at the hearing."

According to O'Connor and statute, a presiding officer, "has the authority and responsibility to conduct proceedings in an orderly manner. This includes, among other things, the power to grant party or intervenor status, limit participation in a proceeding, grant extensions of time, subpoena witnesses, require the production of records, and grant immunity for testimony."

O'Connor says a presiding officer's decision can be modified or reversed by the panel of commissioners. "Because of this, the presiding officer will generally ensure a consensus before ruling," O'Connor said.

However, the UAPA makes no mention of a presiding officer issuing intermediary rulings or having their decisions overturned by the commission; that appears as part of the definitions of a "hearing officer."

According to <u>state statute</u>, in a contested case before a hearing officer a party can request a review by the full panel of commissioners "of any preliminary, procedural, or evidentiary ruling." It is also the hearing officer that issues the proposed final decision if one is assigned to a docket by the panel of three commissioners.

However, in PURA's response to Avangrid's FOI request, the agency indicated it had no records of commissioner votes on six motions because, "all procedural, evidentiary, and other intermediate rulings in a contested proceeding are issued by the presiding officer."

In essence, it appears Gillett has taken on both roles of presiding officer and hearing officer and the utility companies argue she is therefore controlling the entire regulatory body, issuing decisions under Gaudiosi's signature block to convey the full power of the Authority, rather than the authority of a presiding officer or hearing officer.

In 2023, a massive energy regulatory bill brought by the Energy and Technology Committee sought to change in state statute how hearing officers were assigned by PURA. Senate Bill 7 would have allowed the PURA chairperson "to assign any matter before the authority to one or more utility commissioners, rather than to a panel of three or more commissioners as under prior law and gives the assigned commissioners the same powers that the panels currently have," according to the bill summary.

That language, which would have made it statutorily feasible for the chair to assign all matters to herself, was repealed in 2023's budget implementer, reverting to the original language — a panel of three who could vote to assign a hearing officer.

One thing Senate Bill 7 did do, however, was change statutory language to ensure the governor determines who is chair of PURA, protecting Gillett from

potentially being replaced by the other commissioners through a vote.



## "Nothing Burger," "Beyond Silly," "Nonsense"

For their part, PURA is circling the wagons on this issue and say they've already consulted with the Office of the Attorney General "on the role of the presiding officer in agency proceedings, and the OAG agreed that the presiding officer has the authority to issue procedural and intermediary rulings," O'Connor wrote.

Attorney General <u>William Tong</u> is no fan of Connecticut's utility companies, often weighing in with very public press releases and press conferences when rate cases are filed or decided.

O'Connor also <u>cited oral argument</u> in the gas rate case during which Assistant Attorney General John Wright called Avangrid's claims "nonsense," "beyond silly," and "a nothing burger," among many other negative descriptions of the utility company's argument.

"The Company has made very serious allegations," Wright said. "And we submit that these serious allegations were made on the contextual and manufactured evidence. They're disingenuous."

Wright also made the point that if every motion had to be decided by the entire commission, rather than just the presiding officer, the process would grind to a halt. "It's just not a serious argument," Wright said. "And yet the companies darkly suggest that this is an improper falsehood intended somehow to harm the companies."

"PURA continues to follow the decades-old practice of issuing correspondence, notices, and procedural and intermediary rulings with the executive secretary's signature affixed to the document. The utilities never previously objected to this practice nor raised any concerns as to the procedural propriety," O'Connor wrote. "The Authority complies strictly with all procedural and due process requirements. The utility companies have the right to seek an administrative appeal of any final decision and to raise any claims, including due process claims, in that appeal."

The utility companies do not dispute that the use of a presiding officer on dockets has been a long-standing one; their issue, however, is that the executive secretary's signature was previously used for ministerial and administrative issues, not substantive ones, and that decisions made by the presiding officer were known by all parties and the public and were subject to appeal to the full Authority prior to the final decision.

Attorney for Avangrid, Cheryl Kimball, laid out the utility's argument in response to Assistant Attorney General Wright's "nothing burger" comments. She agreed that having the commission decide on every motion would delay proceedings and argued that is not what Avangrid is suggesting. Rather it comes down to a matter of transparency.

"What we are suggesting is that the use of the Executive Secretary rulings may have been fine in the past. They were fairly ministerial. They weren't for every single decision," Kimball said. "Clearly a Presiding Officer has some room to make rulings, but you have to say it's the Presiding Officer, because there's other things that flow from that. So no, we are not asking that every motion be decided by the Commission. We're asking just to have transparency. If the Presiding Officer is ruling, just say that. Don't use the Gaudiosi signature block."

"In light of the fact that courts have continued to affirm the Authority's recent decisions, it is unsurprising (if not expected) that the utilities would now attempt to raise procedural complaints," O'Connor wrote, adding that it's "a de facto acknowledgement that their substantive arguments lack merit or are manifestly anemic."

Anemic or not, it has certainly gained the attention of House Republican Leader Vincent Candelora, who held a <u>press conference on December</u>

19 after the latest round of credit downgrades for Connecticut's utilities, calling on Gov. Ned Lamont to appoint a full five-member commission as required by law and decide on reappoints for the current members whose terms have expired.

Candelora argued it has become obvious that there is a problem in PURA, evidenced by the fact that until the past two years hardly anyone paid attention to them. He argued that having every member the Authority serving at the pleasure of the governor has politicized what should be an independent regulatory body.

He also singled out Gillett as essentially taking over the Authority and keeping the other commissioners in the dark.

"You can't deny the fact that there is a problem here," Candelora said. "That

Authority is running as a dictatorship; it's not running as regulatory body with five members making decision. You have an individual that is taking every single docket, she is controlling every single docket and ultimately making those decisions, and the rest are put in the dark and brought out to vote. And that's not the way that agency was supposed to operate."

In a statement emailed to Inside Investigator prior to Candelora's comments – but addressing the same issues that were raised by the utility companies – Gillett said she takes "offense" to the idea that she is single-handedly running PURA.

"On behalf of my two distinguished, long-standing colleagues, Vice Chairman Jack Betkoski and Commissioner Michael Caron, who have served as utility regulators for a combined 40 years, I take offense to any implication that they were absentee commissioners and not equal partners in PURA's stellar work product over the past five years – work product that is consistently being affirmed by the Courts," Gillett said. "To negate my colleagues' years of public service by implying that, despite being outnumbered, I was able to make decisions unilaterally for over five years is not supported by the evidence or common sense."

According to PURA, the other commissioners are very much involved in the docket process, with the ability to review proposed final decisions through a shared platform and attend monthly sector meetings in which staff give "comprehensive reports on all active and upcoming matters before the agency."

"Commissioners always have the ability to coordinate a meeting with decisional staff through PURA's Chief of Staff, as well as partake in scheduled briefings and deliberations," O'Connor wrote. "Bi-weekly commissioner meetings took place regularly until they were discontinued at

#### other commissioners' request."

PURA Vice Chair Betkoski reiterated the line that this is all "much ado about nothing," and said, "the executive secretary's signature has always been affixed to motion rulings and other interim issuances in a docket," in an emailed statement. Newly appointed commissioner <a href="David Arconti">David Arconti</a> said his fellow PURA commissioners "have been collaborative and accommodating."

"I agree with my colleagues," Arconti said in an emailed statement. "The utilities are better served by returning their focus to the substantive work in front of us."



### "The Awesome Responsibility"

When Gillett approved the extension of the COVID-era shutoff moratorium, it added at least \$70 million onto an already substantial tab for Connecticut ratepayers after PURA had let years' worth of public benefits charges pile up. O'Connor says that no one filed an objection to the motion, and the other

commissioners said nothing, so Gillett went ahead with approval, acting as the presiding officer.

"As such, the presiding officer issued a ruling, the ruling was not subsequently modified by a majority of commissioners assigned to the proceeding as is their right, and the ruling was not appealed or challenged by any party or intervenor," O'Connor wrote. "In summary, the motion was fully considered by the panel of commissioners and resolved with no one opposing or appealing the determination. Any attempt to characterize this as a procedural error would ignore both the facts and applicable law."

The public, however, largely indifferent to nuances of administrative procedure, did object when the <u>public benefits charge on their electric bills spiked</u>. Connecticut has always had higher energy rates than most of the country, but in the past year it has taken on a new political dimension, putting PURA in the news perhaps more than they would like. While utility companies and PURA have had their disagreements in the past, recent clashes between the utilities and Connecticut's regulators appear to be coming to a head and have spilled over into the public eye.

The same day Candelora held his press conference about the credit rating downgrades for Connecticut's utilities, Sen. Norm Needleman, D-Essex, and Rep. Jonathan Steinberg, D-Westport, chairs of the General Assembly's Energy and Technology Committee, penned an op-ed for <a href="CT Mirror">CT Mirror</a> alleging the credit rating agencies were unduly influenced by Eversource and Avangrid, and that warnings about possible higher costs in the future were "propaganda."

"To suggest that these ratings agencies are independent, or objective is nonsensical. The utility itself can pass through the cost of debt to its captive customers, so what does the utility care if it becomes the company that cries wolf and provokes a downgrade in pursuit of its grander strategy to warn regulators across <a href="New England">New England</a> not to replicate the accountability measures and <a href="rate">rate decreases</a> imposed by its Connecticut regulators?," Needleman and Steinberg wrote. "Let's face the facts: could S&P's downgrade of the Avangrid and Eversource companies raise rates in Connecticut? That's an overwhelming: Maybe."

As much as Gillett and the other commissioners may wish this issue about Gaudiosi's signature to go away, the utility companies, citing those credit downgrades, are not taking this at all lightly. Connecticut lawmakers, PURA, and the public are about to find out whether use of Gaudiosi's signature by the presiding officer is in violation of state statute and administrative practice, or if it truly is "much ado about nothing."

On December 19, Avangrid used their right to appeal and filed two petitions in <u>Connecticut Superior Court</u>, appealing PURA's rate reduction decisions for The <u>Southern Connecticut Gas</u> Company and the <u>Connecticut Natural Gas</u> Corporation. Included in the appeal is a recitation of Avangrid's claims about Gillett issuing decisions under the guise of "the Authority" using Gaudiosi's signature.

"The Final Decision is tainted by a series of highly unusual procedural irregularities that prejudiced SCG and demand reversal. Over the course of the proceeding, serious concerns arose regarding the use of unlawful procedures, ex parte communications and other improper conduct by the PURA Chairman," <a href="the appeal states">the appeal states</a>. "The unlawful procedures included the issuance of several important substantive 'motion rulings' under the signature block of PURA's Executive Secretary, Jeffrey Gaudiosi. All of these 'Executive Secretary' rulings were ostensibly issued on behalf of 'the Authority' and the 'Public Utilities Regulatory Authority,' although it was later revealed that these rulings were issued unilaterally by the PURA Chairman,

unbeknownst to the Company... All of the rulings were presented as if the full panel of three PURA members were issuing the ruling."

PURA not only faces Avangrid and Eversource in court over these matters, but is also facing an <u>appeal by the Communication Workers of America</u> (CWA) labor union, who argue PURA has essentially mandated that Frontier use third-party, non-union contractors to address its backlog of telephone pole repairs.

In support of CWA, the leaders of five other labor unions wrote a letter to Gov. Lamont and Attorney General William Tong requesting a meeting to address the regulatory agency's decisions that they say undercut collective bargaining agreements.

"It is unacceptable for a state government body to step in and nullify the hard-earned benefit in agreements we already negotiated and won with our employers," the letter to Lamont and Tong states. "Yet that is exactly what PURA has done and continues to do."

"While I may carry the title of chairman, which carries with it the awesome responsibility to marshal the administrative duties of the agency, each of us carries the title of commissioner and wields an equally weighted vote (as indeed I have been outvoted on several occasions)," Gillett said in her statement to Inside Investigator. "I look forward to putting these unsubstantiated accusations behind us all and returning to the important work ahead."

#### MORE ON EVERSOURCE

# PURA to investigate itself over alleged administrative problems

by Marc E. Fitch January 22, 2025

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The Public Utilities Regulatory Authority (PURA) has opened a docket to examine Connecticut's statutes and how they apply to PURA's proceedings, including how the regulatory agency appoints a presiding officer and the "issuance of motions," in what could be a slick political move ahead of PURA Chairman Marissa Gillett's appearance before the Executive and Legislative Nominations Committee.

The new docket comes after Connecticut's two largest utilities, Eversource and <u>Avangrid</u>, have <u>alleged that Gillett has been issuing substantive</u> <u>decisions</u> on her own as presiding officer under the executive secretary's signature, hiding that it was a decision by her instead of the full commission and legally tainting hundreds, if not thousands, of decisions.

PURA has adamantly denied that Gillett or the Authority itself has done anything wrong or not followed proper procedure, telling the utilities in an official letter that it was all "much ado about nothing."

According to the docket filing, however, Gillett appointed Commissioner

David Arconti to act as presiding officer to examine a variety of state
statutes that apply to PURA, including how hearing officers and presiding
officers are assigned to dockets, what their powers and responsibilities are,
and the definitions of a hearing officer and presiding officer contained in the
Uniform Administrative Procedure Act.

"The Public Utilities Regulatory Authority (Authority or PURA), on its own motion, initiates this proceeding for a declaratory ruling as to the applicability of General Statutes § 16-2, § 16-8, §§ 4-166, to 4-189 and other related statutes and regulations to the Authority's practices and procedures in conducting proceedings, including the designation of a presiding officer and the issuance of motion rulings," the docket says.

Interestingly, although state statute indicates that a panel of commissioners must vote to appoint a president officer, the docket indicates that Gillett appointed Arconti without a vote.

However, the docket also contains an ex parte provision preventing Chairman Gillett and any other commissioners or staff from talking about this motion while it is proceeding. The move comes ahead of Gillett's reappointment appearance before the Executive and Legislative Nominations Committee following Gov. <a href="Need Lamont">Ned Lamont</a>'s nomination. She will likely not be able to answer lawmaker questions about the allegations lodged by the utility companies due to the ex parte provision.

"The Authority observes the prohibition of ex parte communications for both contested and uncontested proceedings," the docket filing states. "As such, there may be no communication, direct or indirect, with Commissioners or the Authority's decisional staff on any issue of fact or law pertaining to this matter unless that communication (1) takes place in the course of a noticed hearing or meeting or (2) is made in writing and submitted in the docket with copies supplied to all other designated participants."

This would not be the first time that PURA has investigated itself. According to records, Avangrid accused Chairman Gillett of improper communications and bias in an Avangrid gas rate case. PURA then issued an intermediary ruling under the executive secretary's signature saying PURA found no

evidence of improper communications or bias.

That PURA ruling was presumably issued by Gillett acting as presiding officer as a <u>Freedom of Information</u> request filed by Avangrid found no votes on this ruling, and PURA denied their FOI request for email communications.

Gillett was originally nominated to PURA by Gov. Ned Lamont in 2019 to a four-year term; Lamont reiterated his support for Gillett by nominating her to another four-year term in 2024, as the PURA chairman and Connecticut's utility companies have come to loggerheads over numerous PURA rate case decisions.

Although Connecticut statute requires PURA be comprised of five commissioners, Gov. Lamont has refused to make any more nominations, limiting the powerful regulatory agency to only three commissioners and saying in his State of the State speech that appointing the full commission won't make a difference.

Legislative Republicans have been <u>calling for changes</u> to PURA, including appointing two more commissioners and noting the ever-escalating issues between the Authority and utility companies. House Republican Leader <u>Vincent Candelora</u>, R-<u>North Branford</u>, said in a press conference he believes Gillett has essentially taken over the Authority and that it has become a political entity.

Nevertheless, Gillett still enjoys the support of the governor and the heads of the Energy and Technology Committee – Sen. Norm Needleman, D-Essex, and Rep. Jonathan Steinberg, D-Westport – and the Executive and Legislative Nominations Committee is dominated by majority Democrats.

More and more, PURA has been in the public eye following a <u>dramatic</u> increase to the <u>public benefits charges</u> that were allowed to build up during

the COVID pandemic, and the utility companies' increasing public criticism of PURA and, namely, Chairman Gillett.

Eversource recently issued a <u>cease-and-desist letter</u> to PURA, requesting Gillett cease the practice of appointing herself presiding officer in dockets without a vote and stop issuing decisions under the guise the executive secretary's ruling.

PURA has said that Gillett will "generally designate herself as presiding officer," but argued it is common practice to use only the executive secretary's signature. Eversource and Avangrid, on the other hand, argue the executive secretary's signature block conveyed it was a decision by the full panel of commissioners and prevented them from appealing the decision of a presiding officer for a vote. Instead, the utilities had to wait and file their appeals in superior court.

It is not just the utility companies, however, that are appealing to Connecticut's superior over PURA rulings: The <u>union representing Frontier</u> <u>workers</u> who repair telephone poles has filed an appeal in court arguing PURA's decisions have violated their union contract by forcing utility pole owners to hire outside, non-union labor.

While the Office of Consumer Counsel and the Department of Energy and Environmental Protection are listed as parties to the docket, the Office of the Attorney General – which has called this issue a "nothing burger" in the past – is not.

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# Lamont document defending PURA raises more questions

by Marc E. Fitch February 4, 2025

Marc E. Fitch February 4, 2025

The Office of Gov. Ned Lamont released a document to the Hartford Courant purportedly to defend the Public Utilities Regulatory Authority (PURA) and its chairman, Marissa Gillett, from allegations by Eversource and United Illuminating made in a lawsuit that Gillett has single-handedly passed down rulings on thousands of motions, but the document may do more harm to PURA's cause than good.

The utilities argue in their court filing that Gillett has violated their rights by issuing thousands of rulings on motions – some of them substantial – on her own under the guise of the executive secretary's signature, implying the decisions were made by a vote of the full commission rather than a decision of the presiding officer, thus forcing the utilities to make their appeals in court.

PURA officials maintain they've done nothing out of the ordinary, and Gov. Ned Lamont is defending Gillett, who is scheduled to go before the Executive and Legislative Nominations Committee for reappointment.

Part of that defense appears to be an accounting of PURA's work, which shows that since 2019 there have been 6,133 rulings on docket motions. The document from Lamont's office singles out eleven motions, interim decisions, and final decisions in which there was a dissenting vote to show that votes were taken. It makes no accounting of the remaining 6,119 rulings, and one of the motions listed on the governor's document is incorrect and

not supported by PURA's records.

The governor's document lists Motion No. 23 issued on August 18, 2021, for Docket 20-12-30, and purports to show a 2-1 ruling vote with PURA Chairman Marissa Gillet dissenting. That ruling, however, was issued under the executive secretary's signature only, and <u>lists no recorded votes or dissents</u> – demonstrating the very problem Eversource and <u>Avangrid</u> are alleging in court, namely that motion rulings are being made by the <u>presiding officer under the guise of the executive secretary's signature</u> with no transparency or votes listed on those rulings.

The other listed motions do contain the votes and signatures listed in the document.

Docket No.	Title	<b>Decision or Motion Ruling?</b>	Date	Tally	Majority	Dissent
17-12-03RE11 / 17-10-46RE03	Application of The Connecticut Light and Power Company d/b/a Eversource Energy to Amend its Rate Schedules – Interim Rate Decrease, Low-Income Rates, and Economic Development Rates ("Storm Settlement")	Interim Decision	10/27/2021	2-1	Betkoski; Caron	Gillett
20-12-30	Application of the Connecticut Water Company to Amend its Rate Schedule	Motion No. 23	8/19/2021	2-1	Betkoski; Caron	Gillett
20-12-30	Application of the Connecticut Water Company to Amend its Rate Schedule	Decision	11/17/2021	2-1	Betkoski; Caron	Gillett
22-07-01	Application of Aquarion Water Company of Connecticut to Amend Its Rate Schedule	Decision	3/15/2023	2-1	Gillett; Caron	Betkoski
19-12-18	URA Review of Offshore Wind Resource Agreements Selected by DEEP pursuant to ublic Act No. 19-71		10/13/2023	2-1	Betkoski; Caron	Gillett
24-01-03	PURA Annual Review of the Rate Adjustment Mechanisms of The Connecticut Light and Power Company	Interim Decision	4/17/2024	2-1	Betkoski; Caron	Gillett
24-01-04	PURA Annual Review of the Rate Adjustment Mechanisms of The United Illuminating Company	Interim Decision	4/17/2024	2-1	Betkoski; Caron	Gillett
24-01-03	PURA Annual Review of the Rate Adjustment Mechanisms of The Connecticut Light and Power Company	Motion Ruling No. 36	8/30/2024	2-1	Betkoski; Caron	Gillett
24-01-04	PURA Annual Review of the Rate Adjustment Mechanisms of The United Illuminating Company	Motion Buling No. 18	8/30/2024	2-1	Betkoski; Caron	Gillett
23-11-02	Application of Connecticut Natural Gas Corporation and The Southern Connecticut Gas Company to Amend Their Rate Schedules	Decision	11/18/2024	2-1	Gillett; Betkoski	Caron
24-06-02	GenConn Energy LLC Application to Establish 2025 Revenue Requirements	Decision	12/18/2024	2-1	Gillett; Betkoski	Caron
	Subtotal	Motion Ruling	g 4 0.07% of motion ruli		rulings	
	Subtotal	Decision	7 0.32% of decisions			
	TOTAL	ALL	11		0.13% overall	

Motions			Decisions				
Post 2018 Pre 2017 DN			Total	Post 2018 Pre 2017 DN			Total
2019	483	331	814	2019	217	17	234
2020	468	285	753	2020	235	72	307
2021	604	355	959	2021	351	42	393
2022	790	284	1074	2022	358	45	403
2023	921	192	1113	2023	473	19"	492
2024	1235	185	1420	2024	311	14	325
			6133				21

Adding to the transparency concerns, is that the dates listed for votes on the motion rulings do not match PURA's meeting records, another issue before the court in Eversource and UI's lawsuit. In response to numerous <a href="Freedom of Information">Freedom of Information</a> requests made by the utility companies asking for records of votes on motions, PURA's General Counsel has pointed them to the agency's meeting minutes.

"As you and your client are well award, all votes taken by the Authority are recorded in the regular or special meeting minutes, which are publicly available at <a href="Connecticut">Connecticut</a> State Agency Public Meeting Calendar," PURA General Counsel Scott Muska wrote in response to an FOI request by Eversource, "Other than the publicly available meeting minutes, the Authority is not aware of any other documents that would record the votes of the commissioners."

PURA's listing for its <u>agendas and meeting minutes</u>, however, only links to the <u>Public Meeting Calendar</u> showing the meetings are publicly broadcast on <u>PURA's YouTube</u> Channel, rather than written meeting minutes that are available for public viewing.

In at least three of the motion decisions listed on the governor's document – Motion Ruling No. 15 for Docket 19-12-18, Motion Ruling No. 36 for Docket 24-01-03, and Motion Ruling No. 15 for Docket 24-01-04 – the dates listed for the votes do not match PURA's meeting videos posted to YouTube. Public meetings held by PURA a few days prior to the purported votes include no discussion of those motions, nor any votes on those motions.

Were those meeting minutes and votes recorded publicly, and the written minutes posted publicly, the utility companies would likely not have a case and PURA could have easily responded to their FOI requests. As it stands now, per the <u>allegations in Eversource and Avangrid's court complaint</u>, PURA

has been unable to produce any documentation of votes taken on motion rulings in response to their FOI requests.

"PURA has now conceded that it does not maintain records of the commissioner's votes on agency decisions. Of course, to have done so would have revealed the unlawful practices described above," the utilities' court complaint states, noting that under state statute that votes on any issue by a public agency "shall be reduced to writing and made available for public inspection."

"Naturally, the absence of recorded votes of the commissioners, in violation of Connecticut law, supports the plaintiffs' understanding that such rulings have been made by just one commissioner," the complaint continues. "Such outcomes necessarily exceed PURA's statutory authority and have harmed the plaintiffs' rights."

While the governor's document also lists four final decisions made by PURA showing votes, which are publicly recorded on PURA's YouTube channel, the fact that final decisions in PURA dockets are made by a vote of the commissioners has never been in dispute.

In comments received after Inside Investigator reached out to the governor's office with a series of questions, PURA Director of Legislation, Regulations and Communications Taren O'Connor said they only listed motion rulings on which there was a dissenting vote, and the 6,119 other rulings were unanimous but could have been reversed by the full panel of commissioners.

"If there is not a split noted on the motion rulings, then a majority of commissioners assigned to the panel supported the ruling," O'Connor wrote. "Additionally... the majority may reverse or supersede the ruling at any time. The remaining data provided in the document reflects the percentage of decisions for which the PURA commissioners reached a unanimous decision

#### since 2019."

In <u>previous comments to Inside Investigator</u>, O'Connor said the presiding officer – who, as head of the agency, is generally Gillett – "will generally ensure a consensus before ruling."

While the utility companies argue PURA commissioner votes on these motions should be publicly documented per Connecticut's <u>Freedom of Information statutes</u>, O'Connor says PURA has not held public votes on motion rulings "for decades," and is not required to under state statute governing PURA, which says two or more commissioners severing on a panel "may confer or communicate regarding the matter before such panel."

O'Connor points to <u>state statute 16-2(n)</u>, part of statutes governing how PURA operates, which goes on to state that, "Any such conference or communication that does not occur before the public at a hearing or proceeding shall not constitute a meeting" under Connecticut's <u>statutory FOI definitions</u>.

"The Authority, for decades, has not held public votes as that term is used in Conn. Gen. Stat. § 1-225 on motion rulings nor is it required to by law (as the utilities have correctly conceded)," O'Connor wrote. "If a utility receives an adverse motion ruling, it has the sophistication and opportunity to challenge the ruling."

PURA reacted to Eversource and United Illuminating's lawsuit saying the move was "a distraction," and an attempt to get Gillett removed from PURA, and "at attempt to cast this as a due process issue only after repeatedly not getting their way."

"PURA has operated in a transparent and collective way for every proceeding and despite our efforts to reset the relationship and move forward in a productive way on behalf of ratepayers, the utilities emerge with this maneuver, which doesn't decrease costs for ratepayers or change our regulatory environment," said in an emailed statement on January 30.

Avangrid initially raised these issues in August during a gas rate case before PURA only to be told by the agency it was "much ado about nothing" in a letter signed by the executive secretary. The Attorney General's Office likewise argued it was a "nothing burger," during a hearing.

Despite those characterizations, PURA <u>opened a docket to investigate its</u> <u>practices</u> to determine if they align with state statute, and members of the Energy and Technology Committee <u>proposed a bill</u> that would essentially enshrine Gillett's alleged actions into state statute.

The legislation, filed on the same day the utility companies filed their lawsuit, would reduce the number of PURA commissioners from five to three, and allow a single commissioner to issue rulings and decisions.

Gov. Lamont recently expressed frustration over the lawsuit saying he would have preferred to sit down and discuss the matter with the utility company CEOs.

"PURA has offered settlements, while the utilities have appealed decision after decision, and despite a well-funded public relations campaign, the utilities are losing in the courts and when ratepayers see their bills," O'Connor wrote concerning the utilities' legal action. "That's why ratepayers deserve better and deserve regulators who are capable of holding the utilities accountable, something utilities obviously oppose."

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# Raw Deal? How Sen. Fonfara's company got \$1 million in PURA penalties

by Marc E. Fitch March 11, 2025

Marc E. Fitch March 11, 2025

The Public Utilities Regulatory Authority (PURA) in 2023 prevented Wattifi, an energy company partly owned by Hartford State Senator John Fonfara, from relinquishing its license for more than a year after the company had already ceased operations, allowing penalties to rack up to over \$1.1 million, according to a review of docket materials.

Wattifi had attempted to relinquish its license in the months leading up to a PURA decision in 2023 that required Wattifi to pay roughly \$57,000 to Eversource and United Illuminating for billing technology upgrades. PURA then began to level penalties against Wattifi for nonpayment, even though the company had no customers and had filed for dissolution with the Secretary of State's Office months earlier.

According to reports, Fonfara, who helmed the General Assembly's Energy and Technology Committee for a number of years, is set to <u>fill a vacant</u> position in PURA following a backroom deal struck between legislative leaders and Gov. <u>Ned Lamont</u> to get embattled PURA Chairman Marissa Gillett through the nominations process, which included Fonfara's vote.

It was later revealed that Fonfara's former company is on the hook for more than \$1 million in PURA penalties through a complicated process riddled with motion rulings made with only the executive secretary's signature and

some delegations of authority – issues that have been raised by <u>Connecticut</u>'s major utilities in a <u>court action against PURA</u>, who allege that Gillett, alone, is ruling on motions under the guise of the full Authority.

In 2021, PURA <u>opened a docket</u> to determine the cost allocations of each third-party energy supplier to support the utilities' billing technology upgrades but delegated that authority to the Office of Education, Outreach, and Enforcement (EOE) to develop the proposed decision under a motion signed only by the executive secretary.

The unusual move to saddle the EOE with crafting the proposed decision referenced state statute that says PURA may "require a portion of the staff of the authority to be made a party to any proceeding," but says nothing about delegating PURA's authority, and there is no recorded hearing or vote on the matter.

Nevertheless, EOE developed a proposed draft decision in <u>August of 2022</u>, which said, "All Suppliers who currently have a residential license have the statutorily-obliged opportunity to use the EDC billing system; therefore, it is reasonable to require all of these suppliers to pay a portion of the Final Project Costs." The draft sat untouched for nearly a year until July 2023, when PURA issued its <u>proposed final decision</u>.

That decision made a key change to the language: "Any third-party electric supplier that is currently licensed to serve residential customers or served residential customers as of August 12, 2021, is responsible for the costs resulting from the Implementation Decision. Conversely, any third-party electric supplier that is not currently licensed to serve residential customers or did not serve residential customers as of August 12, 2021, is not responsible for the costs resulting from the Decision."

An appendix of the draft decision showed a list of all third-party suppliers

and their license status, including Wattifi, which is listed as having a "active" license. Wattifi, however, had sought to relinquish its license months prior to the proposed decision.

In a March 27, 2023, <u>letter to PURA</u>, Wattifi co-owner Erik J. Bartone wrote the company would exit the Connecticut market by April 30 and all customers had been notified. The EOE <u>responded the following day</u> that Wattifi had to fulfill certain "obligations," whereupon "the Authority will then relinquish Wattifi's electric supplier license."

"The last two years have been extremely challenging for electricity providers in Connecticut and New England. Many of the reasons relate to the higher costs of natural gas and crude oil as a result of the Russia-Ukraine conflict. However, Connecticut and New England can expect to see continued upward pressure on electric generation prices for the foreseeable future as a result of the commitment to reduce the amount of carbon in the New England electricity generation fuel mix," Wattifi wrote to customers in a February 2023 letter. "Given these changing market and regulatory conditions, we unfortunately do not see a clear path to more predictable electricity generation rates in the near to mid-term future."

Wattifi confirmed they fulfilled their obligations by July of 2023, remitting a combined \$32,516 to Eversource, United Illuminating, the CT Green Bank, and the Department of Energy and <u>Environmental Protection</u>.

In a <u>July 13</u>, 2023, letter to PURA, the EOE indicates that Wattifi has "taken all the necessary measures to relinquish its electric supplier license," while also noting that Wattifi was one of the listed third-party suppliers who would owe money under the proposed final decision. PURA <u>did not accept Wattifi's relinquishment</u>, however, and nearly two weeks later <u>issued its final decision</u>, putting Wattifi on the hook for the \$57,000.

Between Wattifi's request to relinquish its license in March and the proposed final decision in June, Senate Bill 7, a massive energy bill that would have allowed Chairman Gillett to appoint a single commissioner to oversee dockets and render decisions as opposed to a panel of commissioners, came before the Senate and Fonfara was critical of the language.

Fonfara argued it placed too much authority into a single person and questioned Sen. Norm Needleman, D-Essex, over whether the PURA chairman, under this bill, could presumably appoint themselves to decide all matters before PURA.

"I think this is, whether it's not well written or otherwise, it's a dangerous road to go down that again, no law should be written for a personality or for a person," Fonfara said in his closing remarks on May 25, 2023. "But to allow these kinds of decisions to be taken by a single person I think is not in the best interest of Connecticut ratepayers, not in the interest of our state. And in that regard, I would hope that as this bill travels, that there's recognition of the potential abuse of that language and how it could be harmful to our ratepayers, harmful to our state."

Despite his criticism, Senate Bill 7 passed with Fonfara voting in favor of it, but the PURA language was stripped out in the budget implementer passed in June, leaving the state statute intact.

Although only 13 days elapsed between EOE's confirmation that Wattifi had fulfilled its obligations and PURA's final decision, other companies seeking to relinquish their license have had motions granted more quickly.

Only one day elapsed between EOE confirming that HIKO Energy, LLC had fulfilled its obligations, and PURA <u>granting the motion</u> to relinquish its license; Perigree Energy, LLC had their <u>motion approved</u> the next day, MPower Energy, LLC, was <u>granted its motion</u> to relinquish its license within

13 days — all companies listed under PURA's final decision.

PURA denied Wattifi's motion to relinquish its license on the same day Wattifi filed for dissolution with the Secretary of State's office on September 13, 2023. Three months later, PURA began to penalize Wattifi \$5,000 per day for not paying Eversource and UI the \$57,000.

PURA, however, never granted Wattifi relinquishment. Instead, <u>PURA</u> revoked their license on <u>May 29</u>, the following year. Wattifi's revocation was the only action taken against Wattifi that had been discussed in a public hearing and signed by any commissioners, and the decision makes no mention of Wattifi's attempts to relinquish its license.

By the time PURA revoked Wattifi's license, penalties amounted to \$1.1 million to be paid to Operation Fuel, which helps low-income residents pay for energy costs.

According to the <u>Hartford Courant</u>, the Lamont administration and legislative leaders reached a deal to get Gillett through the nominations process. PURA would reportedly be moved from the Department of Energy and Environmental Protections to become its own quasi-public entity and two more commissioners would be appointed to fill out the Authority.

PURA would have to become a quasi-public in order for Fonfara, who is a sitting state senator, to occupy a seat on the Authority, and questions are being raised regarding Fonfara's potential <u>conflicts of interest</u> – not just for his ties to Wattifi and the \$1 million in penalties, but also for other energy companies tied to the senator. A PURA commissioner job comes with a salary ranging from \$150,000 to more than \$200,000.

Gillett's nomination was confirmed by the Nominations Committee, including Fonfara's vote, on February 21, after a <u>grueling seven-hour hearing</u>. Gillett

denied any knowledge of the deal during the hearing.

Republicans largely opposed the nomination vote, criticizing the deal to get Gillett across the finish line, even though that deal will give them <u>PURA</u> <u>reforms they've pushed for</u>: getting PURA out from under DEEP, getting a full five commissioners per state statute, and purportedly the potential placement of former state representative <u>Holly Cheeseman</u> to the Authority.

"Frankly, in my 10 years in legislature, there's few days where I've been angrier or more upset about the process and how we ultimately got here today, and how things were negotiated in dark rooms," said Sen. <a href="Stephen">Stephen</a> Harding (R-Brookfield). "What was done in the dark of night, in the 11th hour, to get certain people to vote yesterday, presumably, is one of the worst things I've seen in politics in this building."

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# PURA closes docket investigating itself; utilities say it bolsters their claims

by Marc E. Fitch February 18, 2025

Marc E. Fitch February 18, 2025

Just one month after opening a docket to investigate its practices in accordance with state statute, the Public Utilities Regulatory <u>Authority</u> (PURA) has closed the docket without a vote by the commissioners, potentially bolstering <u>allegations</u> made by Eversource and United Illuminating (UI) in court that PURA has been acting outside the scope of state statute and issuing rulings with little or no transparency.

The docket closure was issued under a ruling signed only by the executive secretary, which the utility companies <u>highlight in a response</u>, saying the action merely proves their point. Eversource and UI allege Chairman Marissa Gillett has been issuing motion rulings <u>under the name of the Executive</u>

<u>Secretary</u> giving the impression it was a decision by all three commissioners.

"In particular, this correspondence raises an important question as to why PURA would issue its decision to close the docket in the form of the Executive Secretary Ruling in a proceeding in which the use of these rulings was the very question at issue," attorneys Cheryl M. Kimball and Brendan P. Vaughn wrote. "If, in fact, the Executive Secretary Ruling is truly a decision made 'By Direction of the Authority,' meaning at least two of the three members of the panel agreed to the decision, why not just include the signatures of each member of the panel of utility commissioners in the interest of full transparency?"

PURA <u>opened the docket in January</u> to issue a declaratory ruling on PURA's practices in response to numerous complaints made by Eversource and <u>Avangrid</u>, despite PURA's prior defense of such practices both in dockets and in the media. PURA Chairman Gillett appointed commissioner <u>David Arconti</u> as presiding officer in the matter, despite statute requiring commissioners to vote on a presiding officer – something the utility companies were quick to point out in both their motion to dismiss and their latest correspondence.

Eversource and UI objected to the docket and argued Gillett and Commissioner David Caron should recuse themselves from the proceeding "due to the appearance of bias or actual existence of bias," and since the docket would no longer have a quorum, it should be dismissed, according to the utilities' filing.

While the Office of the Attorney General and the Retail Energy Suppliers Association signed on to the docket as intervenors, nothing came of it. Instead, PURA closed the docket, citing Eversource and Ul's opposition to it, but made no mention of whether this was a decision by all the commissioners or that of the presiding officer.

"The Authority continues to believe that an administrative proceeding involving a variety of stakeholders provides the proper mechanism to address any concerns related to the Authority's procedural practices," <a href="Executive Secretary Jeffrey Gaudiosi wrote">Executive Secretary Jeffrey Gaudiosi wrote</a>. "However, the investor-owned utilities are opposed to the continuation of this agency-initiated proceeding. Absent the meaningful participation by this essential stakeholder group, this proceeding would not be an effective use of the Authority's limited resources."

The utilities' filing also claims the executive secretary's letter contains

"substantive legal conclusions opining on the appeal rights attached to PURA proceedings," in a footnote that essentially argues PURA never did anything to impact the rights of the utility companies to appeal rulings, again supporting their allegations in court.

Furthermore, the utilities' motion argues <u>information supplied to the</u> governor's office in defense of PURA's practices was not only "misleading" but also "confirmed its lack of impartiality by engaging in a public-relations campaign to oppose the assertions of misconduct."

"PURA provided that document to the Office of the Governor for release to the press, in defense of PURA's actions in using Executive Secretary rulings for decisions of 'the Authority,'" Kimball and Vaughn wrote. "But that misguided effort only served to make our point, which is that more than 6,000 motions were decided without a record of the votes required by law. There is no such record because there was no such vote."

In previous comments to Inside Investigator, PURA indicated that the 6,000 rulings contained on the governor's document in which no vote was recorded indicated that it was approved unanimously by the commissioners and that as presiding officer, Gillett would seek out a general consensus before issuing a ruling.

However, included in the utilities' submission was a PURA policy disclosed through an FOI request that states, "The Presiding Officer shall review the draft motion ruling, confer with commissioners and staff as warranted," before forwarding the ruling back to PURA's legal advisor.

"Remarkably, this new – and only recently disclosed – policy leaves to the presiding officer the exclusive, unfettered discretion to never consult with co-commissioners on motion rulings," Kimball and Vaughn wrote. "This process directly refutes emphatic statements by PURA that all

commissioners are consulted on rulings as a matter of course."

It now appears these questions will be settled in superior court, particularly after the closing of PURA's docket. Connecticut law generally requires a complainant to exhaust all administrative remedies before seeking redress in the court system, and closing the docket means ending a possible administrative remedy through PURA.

In comments to the media, op-eds, and interviews, PURA and Gillett accuse the utility companies of engaging in a public relations effort to see Gillett ousted from her position. Gillett was nominated for another term by Gov. Ned Lamont and is set to go before the Executive and Legislative Nominations Committee for a vote on Thursday. Several groups — including 18 members of PURA's staff — and key Democrats have publicly voiced their support for Gillett, authoring op-eds and holding press conferences.

However, text messages released to the <u>Hartford Courant</u> on February 13 appear to show Gillett and Rep. Jonathan Steinberg, D-Westport, attempting to avoid <u>Freedom of Information</u> disclosures and coordinating on an op-ed Steinberg and his fellow co-chair of the Energy and Technology Committee, Sen. <u>Norm Needleman</u>, D-Essex, published in CT Mirror lambasting the utility companies and defending Gillett.

Steinberg said he "took full responsibility" for the op-ed, and Gillett denied authoring the piece.

Against this backdrop of Connecticut's two major utility companies in a legal fight with the state's regulatory agency, Connecticut ratepayers are paying some of the highest electric rates in the country, according to a <a href="mailto:newly">newly</a> released report by Home Energy Club. Although roughly a third of a ratepayer's bill goes to the utility, the other two-thirds are generally comprised of <a href="mailto:supply costs and public benefit charges">supply costs and public benefit charges</a> – or the cost to utility

companies to implement government mandates.

Eversource and Avangrid say the state's regulatory environment has decreased their credit ratings, and Eversource indicated that it is <u>pulling</u> <u>back future investments</u> in the state.

"Given this deliberate course of conduct to issue one-commissioner rulings without review and/or recorded votes by other commissioners, there can be no doubt that PURA is continuing its unlawful conduct in this docket," Kimball and Vaughn wrote. "Given PURA's refusal to conform its conduct to the law, and the obvious inability of this agency to investigate or evaluate its procedures in this docket, the CT Operating Companies were forced to initiate a proceeding before a court of competent jurisdiction to seek declaratory and injunctive relief to address PURA's misconduct."

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## CT ratepayers paying over \$1 billion per year in public benefits charges

by Marc E. Fitch April 28, 2025

Marc E. Fitch April 28, 2025

<u>Connecticut</u> ratepayers are paying slightly more than \$1 billion per year in <u>public benefits charges</u> for government mandates and programs through their electric bills, a figure that has escalated rapidly in recent years, according to testimony by both <u>Eversource</u> and United Illuminating before the Finance, Revenue, and Bonding Committee.

That testimony on April 16 was somewhat lost in reports about an exchange between Sen. John Fonfara, D-Hartford, co-chair of the Finance Committee, and Sen. Norm Needleman, D-Essex, co-chair of the Energy and Technology Committee. Fonfara proposed a bill that would essentially remove the public benefits charge from electric bills for several years and authorize a "Green Bond" for up to \$800 million annually to continue funding the programs covered under the public benefits charge.

According to legislative testimony, however, even at \$800 million per year, the bond fund would not cover the entirety of what Connecticut ratepayers are currently required to pay. Vice President of Distribution Rates and Regulatory Requirements for Eversource Doug Horton testified before the committee that Eversource customers currently cover \$800 million per year in public benefits, an increase from \$450 million per year just five years ago.

Meanwhile, United Illuminating testified in writing that their customers currently pay roughly \$250 million per year in public benefits charges, bringing the total cost to ratepayers to more than \$1 billion per year.

Those benefits include government mandated energy <u>procurement</u> <u>requirements for solar energy</u> which, at this point, add up to \$380 million per year for Eversource customers, eclipsing the \$350 million per year the company spends maintaining and upgrading the electric grid. Horton said that while electric sales remain roughly the same as they were 24 years ago thanks to energy efficiency programs, overall spending has gone up.

"These outcomes aren't coming for free," Horton said. "These funds have generated meaningful results in curbing electricity consumption and producing benefits on the macro scale but to realize those benefits come at a cost and come through the public benefits charge on a customer's energy bill."

That includes \$160 million per year in conservation load management spending, \$130 million per year for net metering for solar, and an additional \$70 million for "behind the meter" distribution subsidies, mostly for solar energy, Horton said.

Connecticut's public benefits charges account for about 57 different programs that range from subsidies and rebates for electric vehicles and new technologies, to procuring energy from particular sources like the Millstone nuclear plant and paying for hardship costs and <a href="low-income">low-income</a> discounts for customers who can't pay their bill.

Connecticut is usually among the top two or three states in the country when it comes to the cost of electricity, driven in part by supply constraints and the public benefits charges. While lawmakers and Gov. <a href="Need Lamont">Ned Lamont</a> often point to Connecticut being on the tail end of the national energy pipeline, Connecticut's electricity costs are still higher than its <a href="New England">New England</a> neighbors.

The high cost has a cascading effect, according to Eversource officials, as

those who can't afford to pay their bill are covered by those who can, or they switch to solar for their homes, thus driving up the public benefits charges for everyone, including those who can't afford their bill to begin with.

"We have seen in Connecticut the past-due balances of unpaid bills triple in the last five years," said Jess Cain, vice president of customer operations and assistance programs for Eversource, who said unpaid balances grew from \$100 million per year, peaked at \$350 million, and has come down to \$200 million since Eversource began collections again following the COVID pause.

"The public benefits charge... is regressive," Cain said. "They don't vary based on income."

Both <u>Eversource</u> and United Illuminating were testifying in support of a bill put forward by Fonfara and backed by a bipartisan group of lawmakers that would move the public benefit charges to a state bond and more closely manage the procurement of energy supply.

The public benefits charge, which was recently broken out on customer's bills to make them more visible, became a political hot potato in the summer of 2024 after the Public Utilities Regulatory Authority allowed those benefit costs to build up over four years, citing COVID hardships.

The resulting rate increase angered the public and politicians and put PURA and its <u>chairman Marissa Gillett</u> under the spotlight as Connecticut's major utility companies began to push back on the regulator for cutting their rate requests and ultimately lowering their credit rating. The blowback threatened <u>Gillett's reappointment to PURA</u>, and reportedly necessitated a backroom deal between the Lamont administration and majority Democrats to make PURA a quasi-public agency and give <u>Fonfara a seat on it</u>.

While the bill appeared to have support among lawmakers and the utility companies, there were many opposed to the legislation, claiming it will gut the state's push toward green energy like solar.

Mike Trahan, executive director of the Connecticut Solar & Storage Association, said the bill would essentially alter net metering to make it less attractive for homeowners to install solar panels and argued that it was a "myth" that "the tiny fraction of Connecticut property owners who use solar to make their electric power are somehow shifting costs to the other million plus electric customers who do not."

"This will be a crushing blow to <u>solar in this state</u>," Trahan said, noting that there is only 4 percent solar penetration in Connecticut, compared to 30 percent in some other states.

"People talk today that we're trying to kill the solar industry, we're not trying to do that whatsoever," Fonfara said. "The reality is solar is eating away at [company] revenue and we have to have revenue supplement, if we're going to continue down this path, more revenue that will outpace costs. That's how we'll reduce rates."

Fonfara's energy bill was passed out of the Finance Committee and was transferred to the Energy and Technology Committee where Needleman serves as co-chair alongside Rep. Jonathan Steinberg, D-Westport."

Needleman was skeptical of the bill and questioned whether Eversource had written it during the public hearing, leading to a tense exchange. Needleman questioned several aspects of the bill before being cut off for time limitations.

"All I will say is I hope this bill will come to our committee where it belongs and we will have a robust conversation about this," Needleman said. "But this is not the way to solve these problems and let me say we all care about electric rates. This is not the way to solve it, nor is it procedurally right and the senator to my right knows that."

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# Lawmakers look to get PURA, Gillett off the legal hook with draft energy bill

by Marc E. Fitch May 21, 2025

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Buried near the bottom of a 126-page working draft of Senate Democrats' major energy bill currently circulating at the Capitol is a statutory change that could potentially get the Public Utilities Regulatory <u>Authority</u> (PURA) and its chairman Marissa Gillett off the hook in the <u>lawsuit filed by</u> <u>Eversource and Avangrid</u> that alleges Gillett improperly issued substantive motion decisions under the guise of the full authority.

Gillett had been acting as presiding officer in dockets before PURA and <u>issuing motion decisions with no official votes or minutes</u>. Those decisions were issued under only the executive secretary's signature, allegedly giving the impression they were decisions by the full Authority. PURA has previously said that Gillett would reach a consensus with the other commissioners before issuing a motion decision and has argued in court that the other commissioners signing off on PURA's final decision in a docket attested to their agreement on motion decisions.

Eversource and Avangrid, however, argue those decisions, issued under the guise of the full Authority, thus denied them their right to appeal a motion decision to a vote by all the commissioners.

<u>Superior Court</u> Judge Matthew Budzik <u>questioned this practice</u> in Avangrid's rate case appeal, asking who it was that actually made the motion decisions

and how it aligns with <u>Connecticut</u>'s <u>Freedom of Information Act</u>. Budzik allowed discovery in Avangrid's gas rate appeal, stating that PURA has "failed to articulate a coherent statutory basis for the procedures it allegedly followed."

Now, however, PURA may get the statutory basis that Budzik asked for under the <u>working draft of Senate Bill 4</u> being ushered through the Capitol by its lead proponents, Sen. <u>Norm Needleman</u>, D-Essex, and Rep. Jonathan Steinberg, D-Westport, who are the chairs of the General Assembly's Energy and Technology Committee.

The working draft of Senate Bill 4 allows the chairperson to "serve as, or designate one utility commissioner to serve as the presiding officer of such panel," of commissioners and goes on to establish in statute that the presiding officer can issue motion rulings on behalf of the panel and such rulings constitute an action on behalf of the Authority.

"The presiding officer shall also issue rulings on procedural, evidentiary and intermediate matters on behalf of the panel, including motions, provided that a majority of the panel support such issuances following communication and conferencing pursuant to subsection (n) of this section," the working draft states. "Any such action shall constitute an action of the panel unless modified by a majority of the panel."

Subsection (n) of the bill indicates that two or more commissioners serving on a panel "may confer or communicate regarding the matter before such panel," and that "any such conference or communication that does not occur before the public at a hearing or proceeding shall not constitute a meeting," meaning there will not have to be an official record.

The working draft goes on to give the same authority to a hearing officer assigned by the chairperson. The terms "hearing officer" and "presiding

officer" have occasionally been used interchangeably in the on-going issues between the utility companies and PURA.

If these changes are approved by the General Assembly, it could give PURA the statutory backing for Gillett's motion decisions when she acted as presiding officer, as well as for the fact that there are no records of the panel discussing those substantive motion decisions; essentially, two of the major questions asked by Judge Budzik.

Some of those substantive motion decisions made by Gillett acting as presiding officer, included extending the COVID-era shutoff moratorium another six months adding \$70 million to ratepayers' electric bills, and <u>investigating herself</u> in response to allegations of bias and improper ex parte communications.

Currently, PURA's statutory language does not mention a presiding officer – that language comes from the Uniform Administrative Procedures Act (UAPA), which PURA has pointed to in defense of Gillet's actions as presiding officer. According to current statute, the chair assigns a panel of three commissioners to a docket and that panel may assign a hearing officer "to ascertain the facts and report thereon."

Under UAPA's <u>definition of a presiding officer</u>, the officer is empowered to administer oaths, subpoena witnesses, and require the production of records. The statute does not indicate the presiding officer can issue substantive decisions – part of the allegations lodged by the utility companies in their lawsuit.

Lawmakers attempted to make similar changes in 2023 as part of another massive energy bill proposed by the Energy and Technology Committee.

Senate Bill 7 would have allowed the chair to assign any matter coming before the Authority to a single commissioner, rather than a panel of three,

and would have given that commissioner the power of the full panel.

That language, however, was stripped out as part of the budget implementer that year, leaving the current statutory language in place.

Needleman and Steinberg are staunch supporters of Gillett having been implicated in <u>text messages with Gillett</u> allegedly related to an op/ed both lawmakers submitted to the CT Mirror. The utility companies have been granted discovery to get a full accounting of what was being discussed between the lawmakers and Gillett in the days leading up to publication of the op/ed, but thus far have not turned up anything substantive and claim PURA is dodging the discovery order by not turning over Gillett's text messages.

Among other notable provisions in the massive bill, is that PURA would remain under the Department of Energy and Environmental Protection "for administrative purposes only." The language appears to signal the death of a reported backroom deal between Gov. <u>Ned Lamont</u> and Sen. John Fonfara, D-Hartford, to secure <u>Fonfara's support for Gillett's reappointment</u> to PURA.

Under the reported terms of the deal, PURA would become a quasi-public agency so that Fonfara, as a sitting senator, could serve on the Authority. Fonfara supported Gillett's reappointment, but the purported deal appears to have <u>fallen apart in recent weeks</u>, with lawmakers indicating they don't see a path forward to turn PURA into a quasi-public agency.

Republican lawmakers in the Senate <u>blasted the deal</u> during the vote on Gillett's reappointment and staged a walkout.

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## PURA attorney admits Gillett issued decision denying she was biased

by Marc E. Fitch April 29, 2025

Marc E. Fitch April 29, 2025

The assistant attorney general defending the Public Utilities Regulatory Authority (PURA) in Avangrid's gas rate case appeal admitted PURA Chairman Marissa Gillett alone rejected Avangrid's claims that she participated in ex parte communications and demonstrated bias against the company, and then issued a letter stating "the Authority" had investigated those claims and found them meritless, according to court transcripts.

In August of 2024, Avangrid submitted a <u>motion to PURA to recuse</u>

<u>Gillett</u> from the gas ratemaking case after finding she had emailed the Office of Education, Outreach, and Enforcement (EOE) instructing them to remove language from PURA's website that had been cited by Avangrid's expert witness that morning under questioning by Gillett.

Specifically, Avangrid requested in their motion the "issuance of a decision by the PURA commissioners to recuse PURA Chairman Gillett," from further participation in the docket, and "issuance of a decision by the PURA commissioners to strike the EOE Evidence from the evidentiary record in this docket as tainted by the appearance of bias or actual existence of bias."

What Avangrid received in response, however, was a lengthy letter issued under the name of PURA's Executive Secretary Jeffrey Gaudiosi not only denying their request, but establishing facts, and issuing conclusions of law under the guise of "the Authority."

"The Companies did not offer, nor has the Authority found, any credible evidence of *ex parte* communications between the Chair and EOE. Similarly, the Companies did not offer, nor has the Authority found, any credible evidence of bias with respect to the Chair or EOE," the <u>August 16, 2024</u>, <u>letter states</u>. "As such, there is no basis on which to reasonably question the Chair's impartiality in this proceeding. Mere allegations of bias, unsupported by evidence, are insufficient to grant the 'extraordinary' remedies requested."

However, under questioning by <u>Superior Court</u> Judge Matthew Budzik on whether to grant Avangrid discovery in their appeal case against PURA, Assistant Attorney General Seth Hollander admitted that it was, in fact, Gillett who made the decision denying Avangrid's request and there was no vote on the recusal by the other commissioners.

"Was it, in fact, Chairman Gillett who wrote that decision on the recusal?" Budzik asked. "I mean, it's signed by Mr. Gaudiosi, and you said that well, he's just the guy that signs it but he didn't actually have anything to do with it, which at least in my mind is problematic in and of itself. But that begs the question of, okay, well then who wrote it and who actually made the decision?"

"I believe in this case the decision agency did not put it to a vote of all three commissioners," Hollander said. "I think in this particular case, I think it was the chairman who resolved the issue without sending it to the panel for a vote."

Hollander argued that under judicial standards at the appellate level, it is up to the judge to recuse themselves and not a panel of judges to make such a decision.

"Our position is when it comes to recusal, that's not a matter that is

appropriate for a panel," Hollander said. "So that you don't have, in a collegial body, other commissioners voting another commissioner off the island."

Attorney for Avangrid, John Cerreta, argued there is a history of PURA panels voting on recusals, citing three instances. "If it's going to be one commissioner deciding the recusal issue, then there's a process in [state statute] 16-2c to delegate authority by the panel to one commissioner," Cerreta said. "But it wasn't followed here."

Under state statute, dockets before PURA are assigned to a panel of three commissioners to be heard, and with Gov. <u>Ned Lamont</u> only appointing three of the statutorily required five commissioners to PURA, it means that every case involves every commissioner. Technically, the panel of three is to elect a presiding officer to oversee the case, and <u>PURA has previously</u> indicated that Gillett, as chair of the Authority, is generally presiding officer.

Both Eversource and Avangrid argue Gillett has <u>issued hundreds of</u> <u>substantive motion decisions on her own</u> without the other commissioners officially weighing in on the matters. PURA has said Gillett generally gets a consensus on motion decisions before issuing a ruling, but there are no records of votes, including for motion decisions that have involved millions in ratepayer dollars.

PURA is arguing that a vote on the final decision by all the commissioners is an affirmation of their support for all motion decisions throughout the docket process.

Judge Budzik questioned PURA's practices, particularly how they comport with the state's <u>Freedom of Information Act</u> when there are no records of votes or discussions for anything leading up to the final decision.

"I'm sorry to, you know, I don't know, get agitated but isn't that the very

purpose of the Freedom of Information Act, so that we know who is making decision and there is a record somewhere that, you know, Chairwoman Gillett or the commissioner, whoever it was, makes a decision?" Budzik asked. "Every school board in the state abides by that. Are you telling me that PURA just makes these decisions in some amorphous entity fashion without any record as to who actually voted on these decisions?"

PURA's final decision in Avangrid's rate case for both the <u>Connecticut</u>
Natural Gas Corporation and the <u>Southern Connecticut Gas</u> Company
ultimately lowered the gas rates, which Avangrid claims negatively affected
not only their revenues, but also their credit rating.

Budzik ultimately issued his decision allowing Avangrid discovery into PURA's procedures, noting the Authority, "failed to articulate a coherent statutory basis for the procedures it allegedly followed," and "failed to clearly state what procedures it followed as a simple factual matter, regardless of whether those procedures have a proper statutory or regulatory basis."

The court also granted Avangrid discovery into PURA and Gillett's communications with Sen. Norm Needleman, D-Essex, and Rep. Jonathan Steinberg, D-Westport, over an op-ed they claim they wrote and was published by CT Mirror. In it, the lawmakers claim rating agencies and Connecticut's utilities are essentially colluding to undermine the state's regulatory process.

Text messages and emails uncovered by the <u>Hartford Courant</u>, however, appear to show Gillett working with the two lawmakers on crafting a "draft" just before the op-ed was published. Gillett denied having any hand in writing the piece during her <u>extensive reappointment hearing</u> before the Executive and Legislative Nominations Committee.

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