



Connecticut

Water and wastewater utilities in Connecticut fall under several rate setting regulatory systems.

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| Commission-regulated utilities |  |
| Noncommission-regulated utilities |  |

Commission-Regulated Utilities

Connecticut’s Public Utilities Regulatory Authority (PURA), part of the Department of Energy and Environmental Protection, regulates the rates and services of private water and wastewater companies under [Conn. Gen. Stat. § 16-6b](#).⁷¹ PURA does not regulate government-owned utilities, regional water authorities, or regional wastewater districts.

[Conn. Gen. Stat. § 16-19e](#) establishes PURA’s authority to examine rate structures of private water and wastewater companies. Pursuant to [Conn. Gen. Stat. § 16-19](#), rates must be *just and reasonable* and cannot be “unreasonably discriminatory or more or less than just, reasonable and adequate to enable [commission-regulated utilities] to provide properly for the public convenience, necessity and welfare.” This language seems to provide the opportunity for commission-regulated utilities to offer low-income customer assistance programs (CAPs) funded by rate revenues. However, such programs would likely be subject to PURA approval on the basis of reasonableness and nondiscrimination.⁷²

At least two commission-regulated private water companies, Aquarion Water Company (AWC) and the Connecticut Water Company, currently offer CAPs funded by customer revenues. Since 2007, AWC has annually provided **one-time vouchers** of \$50 to the first 1,000 customers who qualify. Connecticut Water partners with local social service agencies in the [H₂O—Help to Our Customers Hardship](#) Program to offer CAPs in the form of cash grants based on federal and state income thresholds for low-income assistance. It also offers flexible payment arrangements to customers who do not qualify for the cash grants.

71. Such companies are regulated by the Water Unit, a division of Public Utilities Regulatory Authority.

72. See [Town of Vernon v. Public Utilities Commission](#), 318 A.2d 121, 125-126 (Conn. Super. Ct. 1971) (holding that reasonableness is defined on a case-by-case basis; that “rates may be high enough to cover the cost of service, the carrying charges, a reasonable sum for depreciation, and a fair return upon the investment;” and specifically that “the amount of money which has been actually and wisely expended in producing the required service is always a primary consideration”).

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| State Population (2016): | 3,576,452 |
| Median Annual Household Income (2015): | \$70,331 |
| Poverty Rate (2015): | 10.5% |
| Typical Annual Household Water and Wastewater Expenditures (2015): | \$1,272 |
| Connecticut has 504 community water systems (CWS), of which 406 are privately owned and 467 serve populations of 10,000 or fewer people. | |
| Connecticut has 88 publicly owned treatment works facilities (POTWs), of which 33 treat 1 MGD or less. | |
| 982,439 people are served by privately owned CWS; 1,723,493 are served by government-owned CWS; and 2,113,384 are served by POTWs. | |
| Estimated Long-Term Water and Wastewater Infrastructure Needs: | \$8.2 billion |
| <i>Sources: U.S. Census Bureau, 2016 Population Estimate & 2011–2015 American Community Survey 5-Year Estimates; 2016 EFC Rates Survey; U.S. Environmental Protection Agency, 2016 Safe Drinking Water Information System, 2011 Drinking Water Infrastructure Needs Survey, and 2012 Clean Watersheds Needs Survey. See Appendix C for more details.</i> | |

Noncommission-Regulated Utilities

In Connecticut, utilities that are not regulated by PURA include municipal-owned water and wastewater utilities (known as water pollution control authorities), community sewerage systems, regional water authorities, and regional wastewater districts. Municipal-owned water utilities⁷³ have jurisdiction over their rates according to [Conn. Gen. Stat. § 7-239](#), which states that “the legislative body shall establish *just and equitable* rates or charges for the use of the waterworks system,” and further, “such rates or charges shall be *sufficient* in each year for the payment of the expense

73. Pursuant to [Conn. Gen. Stat. § 7-255](#) (1967), a municipality includes “any town, city, or borough or district organized for municipal services.”

of operation, repair, replacements and maintenance of such system and for the payment of the sums herein required to be paid into the sinking fund.” Pursuant to [Conn. Gen. Stat. § 7-255](#), municipal-owned sewerage systems must also establish “fair and reasonable” charges. Regional water authorities and regional wastewater districts are established by the Connecticut General Assembly through special law, which provides them with the authority to establish rates and charges.⁷⁴

Given that rates are only statutorily required to be “just and equitable,” government-owned utilities that operate pursuant to a home rule charter are likely able to provide low-income CAPs funded by customer revenues, subject to any limitations found in individual charters.⁷⁵ It is less clear whether government-owned utilities that operate under general law or which are established by special act are able to provide such CAPs, because they are not expressly authorized to do so.

74. For example, [Special Act 77-98](#), which establishes the South Central Connecticut Regional Water Authority, requires that rates be “equitable, just, and nondiscriminatory” and sufficient to pay all reasonable and necessary expenses of the authority and of the representative policy board to the extent that such expenses are allocable to the water supply and wastewater activities of the authority and of the representative policy board.

75. In Connecticut, close to 60 percent of municipalities have adopted home rule charters.