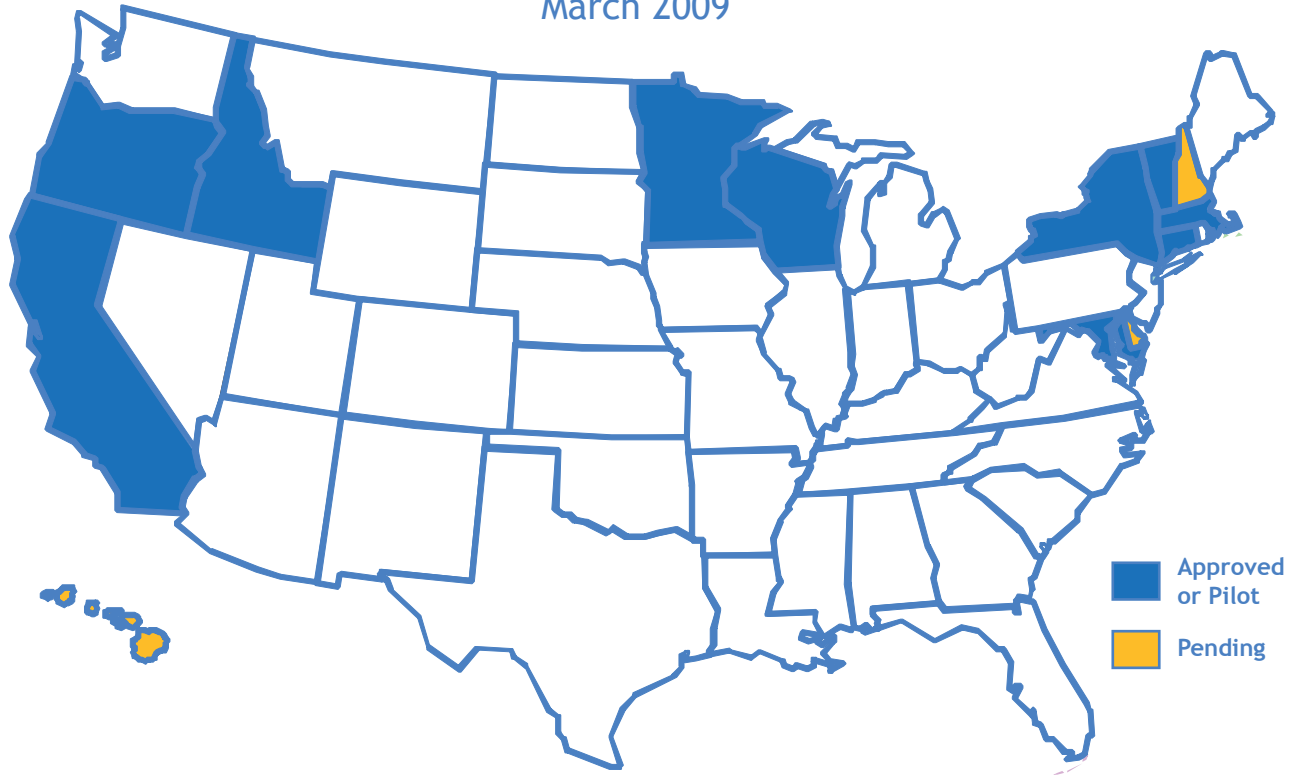




Status of Revenue Decoupling for Electric Utilities by State March 2009



State	Description	Status	Codes, Orders & Resources
California	California has had some form of decoupling since 1982. The current “decoupling plus” program is a revenue decoupling program combined with performance incentives for meeting or exceeding energy efficiency targets (performance-based rates). Revenue requirements are adjusted for customer growth, productivity, weather, and inflation on an annual basis with rate cases every three or four years (varies by utility). The incentive structure caps penalties/earnings for energy efficiency programs at \$450M.	Approved (Decoupling “Plus” approved in 2007)	CA Code Sec. 9 Section 739(3) and Sec. 10 Section 739.10 as amended by A.B. XI 29; Decisions 98-03-063 & 07-09-043
Connecticut	As of 2007, all electric and gas utilities must include a decoupling proposal as a part of their individual rate cases. The type of decoupling is assigned on a utility-by-utility basis. United Illuminating uses a full decoupling mechanism, adjusted annually. Connecticut Light & Power will submit a proposal for a decoupling mechanism in their next rate case.	Approved (2007)	CT Public Act No. 07-242
Delaware	The Delaware Commission has recognized decoupling as a possible solution for promoting energy efficiency, but no plans have yet been approved for Delaware utilities. Delmarva Power will submit their decoupling plan in the next rate case in 2009.	Pending	DE Docket 59
Hawaii	An order was issued in October 2008 to investigate implementing a decoupling mechanism that could be structured much like that in California. Utilities are required to submit a 2009 test year rate case.	Pending	HI Docket 2008-02474

Idaho	A three year pilot for an RPC decoupling program has been instituted and is currently employed by Idaho Power Company. Sales are adjusted for weather and rate increases are capped at 3% over the previous year. The mechanism is only applied to residential and small general service customers.	Approved - Pilot (2007)	ID PUC Order No. 30267
Maryland	A plan to employ revenue decoupling for Maryland utilities under an RPC mechanism was recently approved, which adjusts quarterly. PEPSCO's has named their decoupling program the Bill Stabilization Adjustment, or BSA.	Approved (2007)	MD PSC Case No. 9093; Order 81518
Massachusetts	Gas and electric utilities in Massachusetts must include a decoupling proposal in their next rate case. Target revenues are determined on a utility-wide basis (full decoupling) and can be adjusted for inflation or capital spending requirements if necessary. The Massachusetts DPU expects that all utilities will have fully operational decoupling plans by 2012.	Approved (2008), full implementation by 2012	MA Docket 07-50
Minnesota	A decoupling statute was passed in 2008 that allows for electric and gas utilities to implement decoupling pilot programs of no more than three years. Utilities are required to submit proposals to the state PUC for the structure of recovery mechanisms and frequency of true-ups (none submitted to date). Annual status reports are to be given to the state legislature once the programs are in place.	Approved - Pilot (2008)	MN Statute 216B.2412
New York	Following an April 2007 order, electric and gas utilities must file proposals for true-up based decoupling mechanisms in ongoing and new rate cases. Proposals have been approved for Consolidated Edison and Orange & Rockland utilities, both for revenue-per-class mechanisms. True-ups occur annually.	Approved (2007)	NY Cases 03-E-0640, 07-E-0949, & 07-E-0523
New Hampshire	The New Hampshire PUC concluded in a January 2009 order that existing rate mechanisms are a barrier to energy efficiency. It has ordered that future rate mechanisms be tailored to individual utilities and be normalized for changes in weather, while not specifying the parameters of those mechanisms.	Pending	NH Order DE 07-064
Oregon	Portland General Electric was approved for a two year pilot for RPC decoupling. True-ups will occur annually.	Approved - Pilot (2009)	OR Order 09-020
Vermont	An RPC decoupling program was approved for Green Mountain Power under the Alternative Regulation Plan. Rates can be adjusted up to four times per year with an annual reconciliation on allowed earnings. Changes in base rates cannot exceed ~2% per year. CVPS was also approved for decoupling in 2008.	Approved (2007)	VT Dockets 7175, 7176 & 7336
Wisconsin	Decoupling was approved for WPSC in December 2008 (specified as a "Revenue Stabilization Mechanism"), allowing the utility to pursue a four-year pilot program. WPSC is required to pursue three community-based pilots, which will be regularly reviewed (at 2, 12, 24, and 30 months). True-ups occur annually and over- or under-collection is capped at approximately \$14 million. WPL will submit a similar proposal for implementation in 2010.	Approved - Pilot (2008)	WI Dockets 6680-UR-116 (WPL) & 6690-UR-119 (WPSC)

Note: Information was compiled using the latest public data available as of March 5, 2009. Readers are encouraged to verify the most recent developments in decoupling by contacting the appropriate state regulator or commissioner's office.

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