

WHAT ARE WICA AND RAM AND WHAT DO THEY MEAN TO USERS?

WICA or Water Infrastructure and Conservation Adjustment is defined in Section 16-262v. The Connecticut Legislature approved the surcharge bill called WICA in 2007 to cover the replacement of water distribution system pipes and related infrastructure that have either reached the end of their useful life or are negatively affecting water quality or service reliability. The legislation limits the surcharge increase to 5% in any given year, and 10% overall between full rate cases. For increases beyond these amounts, water companies must submit full application for a formal rate case.

The benefits of WICA to water customers are two-fold. First, the customer will see timelier, smaller increases to your water bill than previously. Second, water customers will benefit from enhanced quality and reliability, because improving water infrastructure enables a water utility to improve their service and delivery. WICA may change throughout a year depending on infrastructure improvements and the approval of PURA for these increases.

RAM or Revenue Adjustment Mechanism (also referenced as the Water Revenue Adjustment or WRA), was authorized by Public Act 13-78 in 2015. In general, RAM allows a company to reconcile any differences between its PURA-approved revenue and its actual revenues through an annual rate adjustment without going through a full case proceeding each year (e.g., if a company earns less than PURA allowed it to earn, it can adjust rates the following year to make up the difference). In essence, it is an annual “true up”. The RAM is reviewed annually and may be a charge or credit on customer’s bills based on actual revenues in the prior year.