



**STATE OF CONNECTICUT
OFFICE OF CONSUMER COUNSEL
NEWS RELEASE**

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FOR IMMEDIATE RELEASE

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**GOVERNOR LAMONT, ATTORNEY GENERAL TONG BROKER \$46.5 MILLION
DEAL WITH UNITED ILLUMINATING FOR ELECTRIC RATE STABILITY**

(HARTFORD, CT) – Governor Ned Lamont and Attorney General William Tong today announced that the State of Connecticut has reached an agreement with United Illuminating (UI) to offer a \$46.5 million COVID relief bill credit to decrease and stabilize electric rates into 2023. Additionally, UI has committed to not change base distribution rates until at least May 2023 to provide further certainty for its customers. The agreement is subject to review and approval by the Public Utilities Regulatory Authority (PURA).

The agreement was reached on behalf of the state by the Department of Energy and Environmental Protection, the Office of the Attorney General, the Office of Consumer Counsel, and the Office of Education, Outreach, and Enforcement at PURA.

UI contributed \$5 million to support customers, in addition to an accelerated return of \$41.55 million of accumulated savings from federal tax cuts to fully offset what would have been a five to eight percent increase in bills on May 1, 2021, due to federally-mandated transmission charges and the costs of the Millstone power purchase agreement. PURA delayed implementation of that increase because of the public health and economic crisis caused by COVID-19.

“For families and businesses who have been struggling with high energy costs during the pandemic, this agreement promises more affordable, predictable rates,” **Governor Lamont said**. “When I signed legislation to reform utility accountability, I called on the utilities to put ratepayers above profits. Today’s settlement, achieved through ratepayer focused negotiations by our state agencies, represents a positive step by UI in that direction.”

“This unprecedented COVID relief credit will result in immediate savings and long-term rate stability for Connecticut families,” **Attorney General Tong said**. “We pay far too much for our energy here in Connecticut, and families need and deserve stability as we emerge from this economic and public health crisis. United Illuminating came to the table prepared to make real concessions, including contributing millions of dollars of their own dollars to ease the burden on

local ratepayers. It makes such a difference to have corporate leadership firmly committed to Connecticut. Eversource, the ball is in your court now.”

“This settlement allows us to provide meaningful benefits to our customers, many of whom continue to be impacted by the economic effects of the COVID-19 pandemic,” **Frank Reynolds, president and CEO of United Illuminating, said.** “If approved, it will not only avert a bill increase in the near term but will also help keep rates stable in the foreseeable future. I want to thank Governor Lamont, the Connecticut Office of the Consumer Counsel, the Attorney General, the Department of Energy and Environmental Protection and PURA’s Office of Education, Outreach and Enforcement for working with us to provide rate relief for customers.”

The proposed agreement settles a portion of a proceeding at PURA related to a provision of [Public Act 20-5](#), which was passed in the special session of the General Assembly convened by Governor Lamont in the fall of 2020. That statute provided that PURA could investigate an interim rate decrease for Connecticut’s electric distribution companies.

“This agreement will provide much-needed relief to UI ratepayers, supported by UI contributions, and not a moment too soon,” **Connecticut Energy and Environmental Protection Commissioner Katie Dykes said.** “This bill credit will help to offset pressure on other parts of the energy bill, while better enabling PURA to implement performance-based regulation of UI.”

“We are happy and grateful that the parties were able to find common ground and work out a rate stabilization plan that avoids a potentially significant bill increase during the pandemic,” **Richard Sobolewski, Connecticut’s Acting Consumer Counsel, said.** “If approved by PURA, this plan allows for the costs that were deferred last summer to be recovered without a bill increase.”

The settlement has been submitted to PURA for approval. If approved, the COVID Relief Bill Credit will appear as a line item on bills from May 1, 2021 through December 22, 2022, and will be calculated based on usage. UI last changed its distribution base rate in January 2019, so this agreement would result in its customers seeing no changes in the base distribution rate for more than four years.

Further rate relief is on the way for UI’s residential customers. On March 9, 2021, PURA ordered UI to provide an updated filing for the distribution of \$3.6 million in overearnings due to residential ratepayers.

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The Office of Consumer Counsel (OCC) is the State of Connecticut’s advocate for consumers on issues relating to electricity, natural gas, water, and telecommunications. For more information, visit www.ct.gov/occ.