



Consumer Alert: New, Low Standard Service Rates through Eversource and United Illuminating Effective July 1 through December 31, 2016

Friday, May 06, 2016

On March 4, 2016, the Connecticut Public Utilities Regulatory Authority (PURA) announced new standard service generation rates for Eversource and United Illuminating (UI) residential and business customers, effective July 1 through December 31, 2016. The new rates are significantly lower than standard service rates in recent years, with residential standard service rates for Eversource decreasing from 9.555 cents per kilowatt-hour (kWh) to 6.606 cents/kWh, and for UI from 10.7358 cents/kWh to 8.0224 cents/kWh.

Customers of retail electric suppliers in Connecticut should compare the price they are scheduled to be paying beginning July 1 with the new standard service prices. There are tools to compare offers on the Rate Board at www.energizect.com. When considering offers from retail electric suppliers, OCC generally recommends that customers only consider rates that contain neither an enrollment fee nor a cancellation fee. This approach allows customers to be more responsive to changes in the market, by changing to a new rate without penalty should a better rate become available. Customers should consider whether they have a cancellation fee in their current supplier contract in determining whether, and when, to switch back to standard service or to a new retail supplier.

If customers wish to pay more for a product with a higher percentage of renewable energy than the currently-mandated 21%, they should ensure they are familiar with the actual renewable content of that product, and the value of that content. Class I renewable products such as wind and solar from New England or other nearby states tend to provide the greatest local environmental value, and cost more for retail suppliers to procure.

OCC recommends that customers stay with the standard service rate if they do not want to be diligent about comparing their rate to standard service and other available rates on a monthly basis. OCC also reminds customers to calendar the expiration of the initial term of their agreement with any retail supplier, to avoid being “automatically renewed” at a price that may be higher than the market price when their initial term expires.

The standard service rate is procured through a competitive and regulated process at PURA with no “mark up,” while retail electric supplier rates do not have that level of regulatory oversight. Standard service rates change every January and July, with rates announced approximately two months in advance. OCC reminds customers to be mindful of this schedule when considering offers from retail electric suppliers.



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