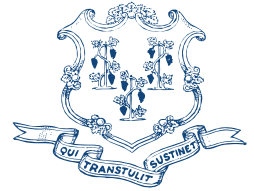




STATE OF CONNECTICUT
OFFICE OF CONSUMER COUNSEL
CLAIRE E. COLEMAN

TEN FRANKLIN SQUARE
NEW BRITAIN, CONNECTICUT 06051
TELEPHONE (860) 827-2901
WWW.CT.GOV/OCC



May 22, 2023

CONSUMER ALERT: Eversource & United Illuminating Customers Will Likely See Net Decreases in Electric Bills Due to Decreasing Supply Rates Effective July 1, 2023

EVERSOURCE:

The supply portion of electric bills for customers of The Connecticut Light and Power Company, d/b/a Eversource Energy ("Eversource") paying the Standard Service supply rate is scheduled to decrease on July 1, 2023, as [filed](#) with and [approved](#) by the Public Utility Regulatory Authority (PURA) on May 19, 2023, as follows:

CL&P/Eversource Standard Service Rates		
7/1/22	1/1/23	7/1/23
\$0.12050	\$0.24172	\$0.13822

Prices above are for typical residential service per kWh of customer usage. **This will impact the average Eversource residential customer using 700 kWh per month by decreasing monthly bills by approximately \$72.80**

Also on July 1, 2023, the distribution portion of electric bills for Eversource customers is scheduled to increase by **\$0.02356/kWh**. **This is mostly due to a credit related to the Millstone nuclear contract ending and will impact the average Eversource residential customer using 700 kWh per month by increasing the monthly delivery cost by approximately \$16.50.** (All pending review and approval by PURA.)

As a result of the supply decrease and distribution increase occurring on July 1, 2023, the average Eversource residential customer using 700 kWh per month will see an **overall bill decrease of \$55.96 per month.**

UNITED ILLUMINATING:

The supply portion of electric bills for customers of The United Illuminating Company paying the Standard Service supply rate is scheduled to decrease on July 1, 2023, as [filed](#) with and [approved by](#) the Public Utility Regulatory Authority (PURA) on May 19, 2023, as follows:

United Illuminating Standard Service Rates		
7/1/22	1/1/23	7/1/23
\$0.1062	\$0.219429	\$0.14334

Prices above are for typical residential service per kWh of customer usage. **This will impact the average United Illuminating residential customer using 700 kWh per month by decreasing monthly bills by approximately \$53.26.**

Also on July 1, 2023, the distribution portion of electric bills for United Illuminating customers is scheduled to increase by **\$0.03663/kWh which is mostly due to a credit related to the Millstone nuclear contract ending and will impact the average United Illuminating residential customer using 700 kWh per month by increasing the monthly distribution cost by approximately \$25.64.** (All pending review and approval by PURA.)

As a result of the supply decrease and distribution increase occurring on July 1, 2023, the average United Illuminating residential customer using 700 kWh per month will see an **overall bill decrease of \$27.61 per month.**

Customers should be aware that on average, usage increases by approximately **35%** in the summer months. The Office of Consumer Counsel urges consumers to continue to make every effort to reduce bills through energy conservation and efficiency measures. For more information on reducing your usage and on opportunities for energy efficiency and clean energy improvements, please visit EnergizeCT.com.

Connecticut residents in need of energy and water assistance are encouraged to apply before May 31, 2023. Additionally, for qualifying households that use oil or propane, the state will pay for fuel deliveries through May 31, 2023. More information is available on the Department of Social Services website, linked here: [Connecticut Energy Assistance Program \(CEAP\) - Heating Help in CT](#).

QUESTIONS AND ANSWERS

1. Will this impact my bill?

All impacted Eversource and UI customers will be charged the new Standard Service rate as of 7/1/23, as identified in the table above, multiplied by their monthly electricity usage as measured by their electric meter in kilowatt hours.

The scheduled decrease will affect Connecticut customers of Eversource and UI who purchase their supplied electricity directly from their electric distribution utility, as opposed to from a third-party supplier.

2. How do I know whether I purchase electricity supplied directly from Eversource or UI (standard service) or from a third-party supplier?

Customers should look at the first page of your bill. Just under the header on the right-hand side that says, "Your Electric Supplier Is", if the next line says "Eversource or United Illuminating," then you are enrolled in Eversource's or UI's Standard Service supply rate, and you will be affected by this supply rate decrease. If that line identifies any other company,

your bill will not be immediately impacted by this rate increase. You can see a sample bill from Eversource [here](#) and UI [here](#).

3. Why is the Standard Service rate changing?

Every six-month period, the Standard Service supply rate of electricity is approved by PURA following a competitive procurement process. The Standard Service rate is the price paid by you, as a ratepayer, for the cost of generating the electricity you use. This is different from the transmission and distribution rates, which is the price you pay to cover the costs of delivering the electricity to your home. The standard service rate is a pass-through rate, meaning the money you pay to your regulated electric distribution company is passed on directly to the supplier from whom they purchase the electricity you use. Eversource and United Illuminating do not derive any profits from the Standard Service rate.

The supply rates are directly affected by the market price of natural gas, which is the fuel used to generate the majority of Connecticut's electricity. When the market price of natural gas increases, supply rates also increase.

Connecticut usually has lower rates during higher usage summer months and higher rates during lower usage winter months. This pattern generally reflects appropriate price signals since high natural gas prices push up electric energy prices in the winter. Since natural gas is used for a large amount of heating in New England, the resource is constrained during the winter months which drives prices up. This increase in price then flows through to increased prices for electricity generation.

While summer rates are lower than the winter prices, prices for natural gas are still higher on a comparative basis from last summer. This is because the market price for natural gas increased as a result of Russia's war in Ukraine, which has created volatile energy markets and is putting upward pressure on oil and natural gas prices. Oil and natural gas markets are global and, even though the United States only imports a small amount from Eastern Europe, the disruptions are affecting prices worldwide, including in the United States.

4. How is the Standard Service price of electricity set?

In the late 1990s, Connecticut adopted a plan to restructure its electric industry whereby Eversource and UI were no longer allowed to generate electricity. Acting strictly as distribution companies, they must purchase electricity from third party suppliers.

The process by which Eversource and UI purchase the electricity is regulated by PURA through a Procurement Manager. The OCC, Eversource, and UI are active participants in the procurement process, where competitive bids are solicited on a quarterly basis from electric generators and suppliers.

Connecticut's procurement process allows us to capture competitive prices multiple times a year, to help ensure that consumers are paying the lowest possible market-based rates for electricity supply. PURA is currently reviewing both EDC's procurement practices through a docket, which OCC is participating in.

5. Why is the Delivery portion of my bill increasing?

The rates you pay for the transmission and distribution costs of your electricity are identified

as Delivery charges on both Eversource and UI bills.

The increase in distribution costs for both companies effective July 1st is largely due to the expiration of an NBFMCC credit from the state’s Millstone contract. This credit was accelerated during the January 1st-June 30th timeframe to help offset winter price increases on the supply side of the bill. The credit is now expiring.

Every year, Eversource files an application with the Public Utilities Regulatory Authority (“PURA”) for adjustments to certain components of the delivery rate that are included in the Rate Adjustment Mechanisms (“RAM”) Docket, which is a tool used by PURA consistent with Connecticut law to true-up the costs of delivering electricity on an annual basis.

For more details on the delivery services components of the bill, visit OCC’s website, or click [here](#).

6. How long will these rates be in effect?

The new supply rates will be effective on July 1, 2023, and a new rate will take effect January 1, 2024.

The delivery rates will be effective through April 2024 and reflected on your bill beginning on July 1, 2023.

7. Are there options other than standard service for electric supply?

As of the filing of this alert, there were several offers available on the [EnergizeCT Rateboard](#) still more affordable than newly announced standard service rate. These third-party rates are often for longer periods than the utility’s standard service rates, and consumers who engage with the market should review all contract terms vigilantly and monitor how their rate compares to standard service rates as they change each July and January.

Consumers who would like to shop for alternatives to standard service may do at the [EnergizeCT.com](#) website, where electric supply may be purchased from third-party suppliers. Please note that the above-described market conditions may affect the prices offered by third-party suppliers. Consumers should be sure to compare the prices and conditions offered by third parties to the Standard Service rates offered by Eversource and UI.

OCC encourages all consumers who wish to use a third-party supplier to do so via the [EnergizeCT.com](#) website, which provides impartial and accurate information about available third-party generation rates. As of 5/22/23 there are 11 offer for Eversource territory and 12 offers for UI territory that are lower than the upcoming Standard Service rate.

Please keep in mind, Energy Suppliers:

- Cannot charge sign-up fees;
- Cannot charge monthly fees in addition to the contracted price of supply;
- Cannot advertise a “teaser” rate followed by an increased rate;
- Rates must be at least 4 months in length;
- Cannot charge an early termination fee;
- Do not know, and cannot infer that they know, future Standard Service rates;
- Are not affiliated with Eversource or UI; and

- Are not affiliated with PURA, DEEP, OCC, or any other state or federal government agency.

8. How do I apply for bill payment assistance?

An online application is now available for heating and water assistance through May 31, 2023 for Connecticut Energy Assistance Program (CEAP)¹ and low-income household water assistance program (LIHWAP)² benefits. For qualifying households that use oil or propane, the state will pay for fuel deliveries through May 31, 2023.

The CEAP and LIHWAP programs are also administered through local Community Action Agencies (CAAs) across the state. In addition to applying online at ct.gov/heatinghelp/apply, residents can also contact their local CAA with additional questions or to apply for assistance in-person or over the phone. ([Click here](#) to find CAA contact information.) Connecticut residents are encouraged to apply for assistance before May 31, 2023. To apply online for CEAP or LIHWAP, visit ct.gov/heatinghelp/apply.

Utility payment plans are also available to low-income customers that meet certain income eligibility requirements to help manage bills. Hardship customers that use electricity or gas for heating may be eligible for the Matching Payment Plan (MPP), through which the utility will match the customer's payments and energy assistance (i.e., CEAP award) up to a bill balance of zero.

- Eversource electric residential customers that are financial hardship and have an arrearage of \$200 for more than 60 days may be eligible for New Start, a program through which both the customer and Eversource contribute to the outstanding balance to lower the past due amount.
- UI electric residential customers that are financial hardship and have a balance of at least \$100 that is 50 days or more overdue may be eligible for the Bill Forgiveness Program, a program through which both the customer and UI contribute to the outstanding balance to lower the past due amount.
- **For more information about payment plans, Eversource customers can visit Eversource.com/billhelp or call 800-286-2828, UI customers can visit uinet.com/HelpWithBill or call 800-722-5584.**

If you have any questions or concerns, please feel free to contact the OCC or PURA:

Office of Consumer Counsel
10 Franklin Square
New Britain, CT 06051
860-827-2900
occ.info@ct.gov

Public Utilities Regulatory Authority
10 Franklin Square
New Britain, CT 06051
800-382-4586
pura.information@ct.gov