



STATE OF CONNECTICUT  
OFFICE OF CONSUMER COUNSEL

TEN FRANKLIN SQUARE  
NEW BRITAIN, CONNECTICUT 06051

TELEPHONE  
(860) 827-2900  
VOICE AND TDD  
WWW.CT.GOV/OCC

June 29, 2022

**Consumer Alert: Navigating the Supplier Market in a High-Cost Energy Landscape**

**From: Claire E. Coleman, Consumer Counsel**

**Standard Service Electricity Prices**

Higher than normal energy costs are impacting ratepayers at a time when energy consumption is typically at its highest. On average, Connecticut customers use roughly 35% more electricity during the summer month, mostly due to home cooling costs.

The main reason for the rate increase is the global impact of Russia's invasion of Ukraine and the higher prices of oil and natural gas globally and here in the U.S.

As explained in detail in OCC's [May Standard Service Consumer Alert](#), on July 1<sup>st</sup>, utility standard service rates will be changing.

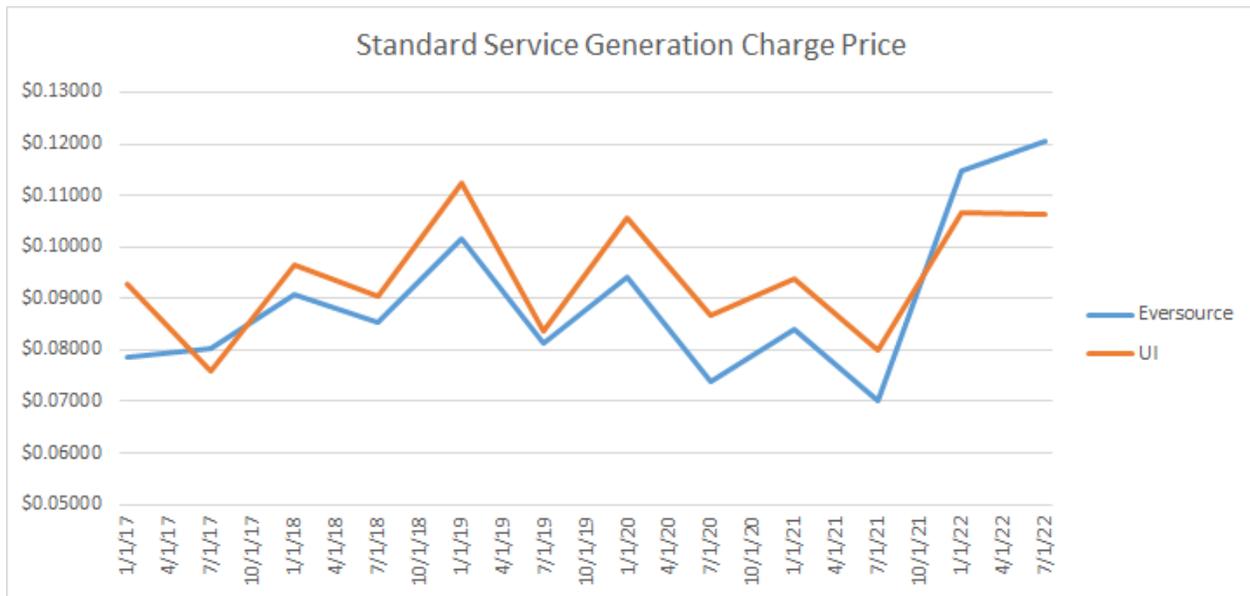
- Utility company standard service rates that will be in effect for July 1, 2022-December 31, 2022:
  - Eversource - \$0.1205/kWh
    - 72% increase over the rate from July 1-December 31 2021 (\$0.07003/kWh)
    - 5% increase over the January 1-June 30 2022 rate of \$0.11484/kWh
  - United Illuminating - \$0.1062/kWh
    - 33% increase over the rate from July 1-December 31 2021 (\$0.080103/kWh);
    - 0.5% decrease from the January 1-June 30 2022 rate of \$0.106731/kWh



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### Third Party Supplier Market

Connecticut is a deregulated state when it comes to energy supply. This means that you do not have to purchase energy from the local utilities and can opt to sign up with a 3<sup>rd</sup> party electric supplier.

Consumers often look to mitigate the impacts of the higher-than-normal utility standard service rates by participating in the 3<sup>rd</sup> party electric supplier market. This however comes with its own risks. OCC cautions customers to be vigilant.

- According to the latest [OCC Monthly Fact Sheet](#), customers on a 3<sup>rd</sup> party supplier contract have paid \$305,249,111 more than Standard Service customers since tracking began in January 2015.
- For the first time since June 2016 supplier customers have seen a savings over standard service customers due to the current unique energy landscape.
  - Between January and May of this year, supply customers have saved a combined \$5,823,397.
  - Additionally, in May, 71% of supplier customers in Eversource territory, and 60% of supplier customers in UI territory paid rates lower than the utility standard service rate.
  - This is most likely due to long term contracts that were locked in when energy prices were substantially lower than they currently are.
- However, while we don't have complete data yet for June, based on the data provided on the [energizect rate board](#), third party supplier rates have already increased to prices comparable to standard service.

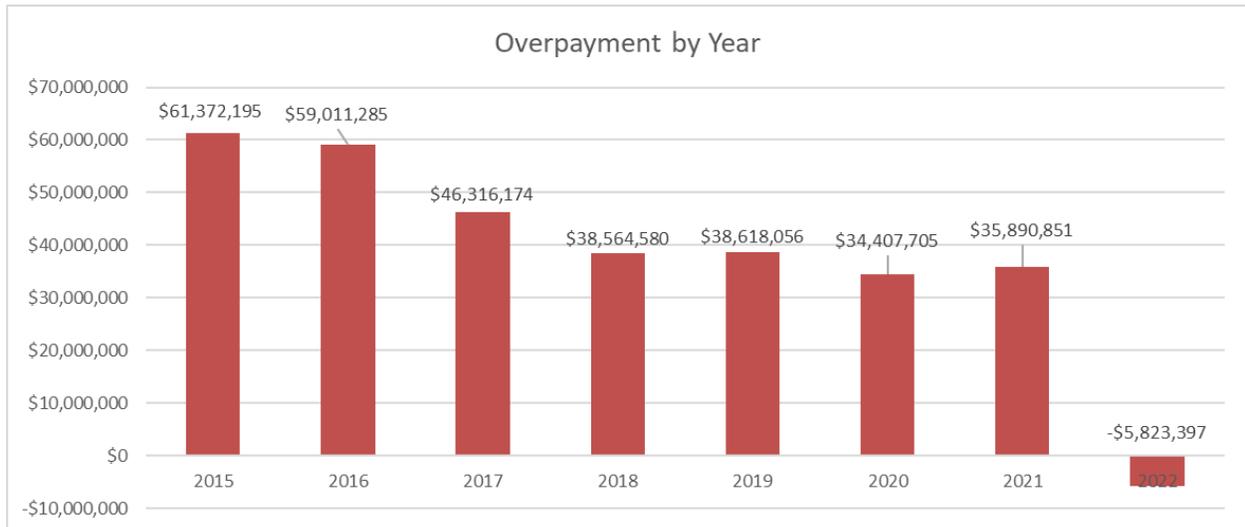


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- As of 6/27/22, there are 19 offers for both utility territories, none of which are below the utility standard service rate.



- The OCC recommends using the [energizect rate board](#) for customers looking to participate in the supplier market. The rate board is the most clear and concise way to compare supplier rate offers. Consumers should always check the rate board as opposed to relying on tele-sales or door-to-door sales, which can sometimes utilize aggressive or misleading marketing tactics.
  - Note that many supplier contracts are for periods longer than the utility's standard service rate, which is 6-month intervals. OCC and other stakeholders do not currently know what the January 2023-June 2023 rate will be.
- OCC encourages supplier customers to be vigilant and to review current contracts. Specifically, consumers should look at when your contract expires and at what rate will it be auto renewed?
  - It is OCCs experience that auto-renewal rates are usually substantially higher than your initial contracted supplier rate. It is also often higher than the utility standard service rate.
  - If you do not actively switch suppliers or choose to go back to standard service, you will be auto renewed.
  - By law suppliers must send a letter informing you of your new contract before auto-renewal.
- When looking into participating in the supplier market be aware that suppliers:
  - Cannot charge sign-up fee
  - Cannot charge monthly fees in addition to your contracted price of supply
  - Cannot advertise a "teaser" rate followed by a substantial rate increase
    - Rates must be at least 4 months in term length



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- Cannot charge an early termination fee
- Are not affiliated with Eversource or UI
- Are not affiliated with PURA, DEEP, OCC, or any state or federal government agency
- Are not participating in a “state sponsored” program
- Some relevant supplier contract information can be found right on your [Eversource](#) or [United Illuminating](#) electric bill. This info includes:
  - Supplier name, supplier rate, term of contract, expiration of contract, the rate you will be charged your next bill cycle, and any cancellation fees.
- In sum, OCC is not advising consumers to never take advantage of third-party market options; but urges consumers to be vigilant about reviewing rate offers including renewal and auto-renewal provisions.



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OCC also urges customers to use conservation measures to reduce energy use to the extent possible. Energy efficiency measures can be one of the easiest and most cost-effective ways to reduce energy costs for consumers. Customers can visit [energizect.com](http://energizect.com) to explore potential energy efficiency and renewable energy measures that may help lower your electricity usage.

Additionally, if you need assistance paying your utility bill both [Eversource](#) and [UI](#) offer several bill assistance options to help.

Connecticut Energy Assistance Program (CEAP)<sup>1</sup> and Low-income household water assistance program (LIHWAP)<sup>2</sup> benefits are also still available.

The CEAP and LIHWAP programs are administered through local Community Action Agencies (CAAs) across the state. In addition to applying online at [ct.gov/heatinghelp/apply](http://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.)

**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](mailto:occ.info@ct.gov)

Public Utilities Regulatory Authority  
10 Franklin Square  
New Britain, CT 06051  
800-382-4586  
[pura.information@ct.gov](mailto:pura.information@ct.gov)

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<sup>1</sup> [CEAP](#) is a federally funded program that provides winter heating assistance to more than 75,000 income-eligible households every year. Eligible families can receive between \$410 to \$1,015 in basic benefits alone. Families may also be eligible for matching payment plans, protection from shutoffs, and replacement or repairs for heating equipment and water heaters. Both homeowners and renters are eligible, and assistance is available for natural gas and electric heat, as well as deliverable fuels like oil and propane.

<sup>2</sup> [LIHWAP](#) is a new federally funded program that provides water assistance to the same families who are eligible for CEAP, and eligible families can receive up to \$1,000 in household water and wastewater benefits.