

DECEMBER 2023

OCC NEWSLETTER

Connecticut Office of Consumer Counsel



A note from Consumer Counsel Claire Coleman

Seasons Greetings! I am pleased to release the first edition of the Connecticut Office of Consumer Counsel (OCC) Newsletter. The month of December marks two years since I assumed the role of Consumer Counsel. I am excited to share important consumer information as well as highlight many hard-earned achievements of my team on behalf of Connecticut's utility consumers.

Every day, my team and I are focused on innovative and equitable solutions to achieving more affordable, reliable, and sustainable energy and water, as well as universal access to broadband. The OCC works hard to bring the consumers' voice to the table. Keeping costs low is always at the forefront of our efforts, balanced with the reality that we need to make investments to sustain our existing infrastructure as well as build new infrastructure to address environmental challenges like PFAS contamination and climate change impacts that increase the need for a more resilient grid.

Connecticut is currently a national leader when it comes to utility regulatory reform. We have had elements of performance-based regulation for decades and are now working to expand to a more fully integrated and comprehensive performance-based model for the electric utilities that will track performance through metrics, scorecards, incentives, and penalties. The increased focus on performance of specific outcomes will better ensure that customers experience the benefits of utility investments.

It is critical that our utilities work in partnership with its regulators and the state to help modernize our grid to integrate more affordable and sustainable energy resources. As the height of winter is approaching, we are also immensely grateful for the local utility workers and their commitment to the safety of our communities, especially those on the ground restoring power and responding to damage in the wake of every storm.

Sincerely, Claire Coleman

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New Standard Service Electric Supply Rates Effective January 1, 2024 to June 30, 2024.

EVERSOURCE: \$0.14714/kWh | UNITED ILLUMINATING: \$0.169799/kWh

These new standard service supply rates will result in an increased electric bill for customers using an average of 700 kWh per month by approximately \$6.24 and \$18.51 respectively. However, as compared to the last winter period spanning January 1, 2023 to June 30, 2023, customers will see significant bill relief this winter season. Eversource customers will pay approximately \$66.20 less, while United Illuminating customers will pay approximately \$34.74 less than the last winter period. For more information, see OCC's consumer alert.

Visit energizect.com to compare rates and shop Third-Party Suppliers!

Potential Opportunities to save with Third-Party Electric Suppliers. Each month the OCC examines and analyzes 3rd party electric supplier compliance data and produces a "Monthly Supplier Fact Sheet," which is posted regularly on the OCC website. The most recent factsheet shows that from September October 2022 to Connecticut ratepayers contracting with a electric supplier third-party \$106,598,681 more than the Standard Offer. This stands in contrast to the prior eight years. Since OCC started tracking supplier data in January 2015, from January 2015 to January 2022, ratepayers with a third-party supplier overpaid by \$194,041,050 more than they would have on standard service. **EnergizeCT.com** is the only reliable source for comparing third-party supplier offers with the service offerings and standard encourages consumers to review contract terms carefully when taking advantage of a third-party offering.

Low-Income Discount Rate Now Available for Electric Customers. Effective January 2024, eligible customers Connecticut's two electric distribution companies will now receive a two-tiered discount applied to their monthly electric bill. Households with incomes at or below 60% of the state median income (SMI) are eligible to receive the Tier 1 discount which results to a 10% reduction off their total electric bill each month, while households earning up to 160% of the federal poverty guidelines (FPG) qualify for the Tier 2 discount and are eligible to receive a 50% reduction off their total electric bill each month. The electric utilities automatically enroll households qualifying for financial hardship into Tier 1 of the LIDR. Customers who may be eligible for the higher of the two discount rates (Tier 2), need to contact their electric utility or visit their local Community Action Agency to enroll.

Applications for the Connecticut's
Energy Assistance Program (CEAP) for
the 2023-24 heating season opened on
September 1, 2023 and will be
available through May 31, 2024.

Learn more and apply online!

2023 HIGHLIGHTS

Celebrating consumer wins across local, state and federal levels

OCC supported legislation, Public Act 23–102, which, among other consumer protection provisions, sets clear limits preventing certain company expenses from being recovered through rates, including lobbying costs, membership dues and advertising expenses. At OCC's recommendation, the final bill included an expanded list of disallowances to include company costs associated with travel and lodging, entertainment, gifts, and investor relations. Having these limitations in statute will allow the OCC's resources to be spent identifying additional areas for potential cost savings for consumers.

CONSUMER
DOLLARS
PROTECTED IN
STATUTE

FCC RELIES ON OCC
COMMENTS IN
ADOPTING FIRST
ANTI-DISCRIMINATION
PROVISIONS OF
DIGITAL ERA

At its November 15 meeting, the Federal Communications Commission adopted new rules to address discriminatory practices or acts of internet service providers that impact access to that service. The rules protect against both intentional discrimination and disparate impact practices. The classes protected under the FCC rules are income levels, race, ethnicity, color, religion, and national origin. The rules were enacted pursuant to Congressional directive under the bipartisan Infrastructure Investment and Jobs Act of 2021. The Office of State Broadband, within the Office of Consumer Counsel, provided guidance and recommendations through comments and reply comments submitted to the FCC, and our comments were cited in the FCC's Report and Order on seven separate occasions.

OCC was an active participant in two rate cases, challenging company proposals submitted to PURA that would have resulted in unaffordable monthly bills for both Aquarion Water Company and United Illuminating customers. The final decisions in both cases, which the companies are appealing in court, adopt many of OCC's recommendations and present clear and major victories for ratepayers that will shield customers from paying tens of millions of dollars in unjust and unreasonabe increased rates. OCC will continue to advocate for further regulatory reform to provide more avenues for keeping utility costs in check.

PRO CONSUMER RATE CASE DECISIONS

Celebrating Wins in 2023 for Connecticut Customers

PROGRESS ON PERFORMANCE-BASED RATEMAKING

As authorized by <u>Public Act 20-5</u>, PURA issued a final decision in the first phase of its investigation into the creation and implementation of a Performance-Based Regulatory (PBR) model in order to create a framework where utility performance objectives are aligned with the public interest. The decision adopted several goals and priority outcomes to be integrated into the regulatory model, as outlined below. OCC and other stakeholders are currently submitting proposals to PURA on the second phase of PBR related to the structure of utility recovery mechanisms, and specific metrics, scorecards and PIMs to be adopted by PURA this Spring.

Regulatory Goals: Excellent Operational Performance, Public Policy Achievement, Customer Empowerment and Satisfaction and Reasonable, Equitable & Affordable Rates.

Priority Outcomes:

Business Operations & Investment Efficiency, Comprehensive & Transparent System Planning, Distribution System Utilization, Reliable and Resilient Electric Investment;

Social Equity and Greenhouse Gas (GHG) Emission Reduction;

Customer Empowerment and Quality Customer Service;

Affordable Service

Regulatory Goals	Priority Outcomes C		Good for Utility Companies
Excellent Operational Performance	Business Operations & Utility Investment	\checkmark	\checkmark
	Comprehensive & Transparent System Planning	\checkmark	\checkmark
	Distribution System Utilization	\checkmark	\checkmark
	Reliable & Resilient Electric Investment	✓	\checkmark
Public Policy Achievement	Social Equity	\checkmark	\checkmark
	Greenhouse Gas Emission Reduction	\checkmark	\checkmark
Customer Empowerment Satisfaction	Customer Empowerment	\checkmark	\checkmark
	Quality Customer Service	\checkmark	\checkmark
Reasonable, Equitable & Affordable Service		✓	✓

In Connecticut, we do not have to choose between affordable rates and a healthy, resilient grid. We can and we will have both. PURA is now investigating three distinct areas in the PBR context: (1) specific reforms to the ratemaking framework already in place in Connecticut; 2) a consideration of performance incentive mechanisms to incentivize the utilities to improve the grid's progress towards meeting our regulatory goals; and (3) an evaluation of the electric companies' grid planning processes, to better understand the utilities' infrastructure investment strategies. We look forward to continuing to engage in this exciting and transformative process.

OCC "Out of the Office"



Consumer Coleman participated in an AARP Connecticut Live Tele-Town Hall discussion—along with PURA's Office of Education, Outreach, and Enforcement Director Thomas Lopez—on high electric cost and advice on reducing your electric bill.

May 24

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necpuc

New England Conference of
Public Utilities Commissioner

Consumer Counsel Coleman spoke on a panel at the New England Conference of Public Utility Commissioners (NECPUC) Annual Symposium addressing Decarbonization and Time Varying Rates.

Jun 27

July



OCC participated in-person at
NASUCA's 2023 Mid-Year
Annual Meeting where
Consumer Counsel Coleman
gave a presentation on
Connecticut's long-term
strategy to achieving energy
affordability in the state.
Consumer Counsel Coleman
also presented at the National
Association of Regulatory Utility
Commissioners (NARUC) on a
panel entitled Lessons from the
Northeast: Emerging
Technologies and Practices to

Manage Gas Demand in a

Decarbonizing Future.



Consumer Coleman participated in a round table discussion and presentation at the Marlborough Senior Center to help seniors enroll in the Affordable Connectivity Program. This critical program is set to run out of federal funding in March of 2024. Increased support and advocacy for the continuance of this program is needed in order to help people get and stay connected.

Aug

OCC "Out of the Office"



Consumer Counsel Coleman joined State Senator James Maroney's consumer protection panel in Milford, alongside State Senator Bob Duff and the Connecticut Department of Consumer Protection Commissioner Bryan Cafferelli.

Sep 21

> Sep 28

Consumer Counsel Coleman was a panelist at the National Association of Regulatory Utility Commissioners' "Improving Long-Term and Future Affordability" panel, where she joined Regulatory Assistance Project US Program Director Damali Rhett Harding and National Consumer Law Center Sr. Policy Analyst John Howat and discussed how Connecticut is addressing energy burden.

Aug

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Aug 29

OCC's Broadband Policy
Coordinator and Staff Attorney,
Burt Cohen, received the AARP's
High Speed Internet Champion
Award. This award commends him
for his work in the
telecommunications/broadband
sector, passing consumer
protections and ensuring equity

for consumers at both the state

and federal levels.

OCC's Legal Director, Bill Dornbos, participated in a panel discussion at the New England Consumer Liaison Group's September meeting regarding ratepayer advocates' role in navigating the clean energy transition. He stressed the importance of balancing the need for infrastructure investments while ensuring that rates are as low as possible and that ratepayer dollars should only be used as a last resort in order to keep costs affordable. He highlighted the steps taken in Connecticut that other states should consider including outlining costs excluded from rate recovery in state statute.

OCC "Out of the Office"



This past Indigenous Peoples'
Day, Consumer Counsel
Coleman spoke alongside
Senator Blumenthal and
Operation Fuel's Chief Program
Officer Gannon Long regarding
the need for more funding for
the Low-Income Energy
Assistance Programs (LIHEAP).

Oct

Nov 6



Tom Wiehl, OCC's Director of Utility Oversight and Regulatory Reform, was invited to speak on a NASUCA panel regarding current trends across the country regarding regulating Public Water companies and best practices for advocates and regulators alike when considering safe, reliable, and affordable water service to consumers. He highlighted the specific role and positions OCC took during Aquarion Water Company's rate case, which was decided in March 2023, and areas where other states can emulate the successes of the final decision.



Consumer Counsel Coleman joined State Senator Bob Duff, Norwalk Mayor Harry Rilling, and State Rep. Lucy Dathan in highlighting the city of Norwalk's inclusion in Connecticut's Single Visit Transfer Pilot Program that will work to reduce the number of double poles, which pose potential safety risks to residents statewide.

Nov 14

Nov 17



Consumer Counsel Coleman moderated the "Constructing Connecticut 2035" panel discussion at CTBILT's CONNSTRUCT Infrastructure Summit. This discussion focused on the vision for our state's future and what we can achieve through Bipartisan Infrastructure Law funding and by centering equity and resilience in new projects.

OCC In the News

<u>Claire Coleman: Consumers want utility focus on service, not profits</u>

11/26/2023 CT Post

Norwalk to remove 400 redundant 'double' utility poles in CT pilot program 11/15/2023 The Hour

Office of Consumer Counsel Steps In to Defend PURA's Rejection of Ul's Rate Hike 10/31/2023 CT News Junkie

CT Energy Rates to Drop Significantly July 1 05/22/2023 CT Examiner

CT Consumer Advocate Joins Coalition Against ISO-NE Proposal to Increase Regional, Electric Generation Rate Hikes 05/04/2023 CT News Junkie

<u>Consumer Counsel Challenges United Illuminating's Rate Increase</u> 11/05/2023 DoingItLocal.com

Cost Savings for Electricity Customers... With a Catch 03/13/2023 CT Examiner



ABOUT THE OCC

The Office of Consumer Counsel (OCC) is an independent state agency with statutory responsibility to represent customers of Connecticut's regulated utilities – electric, gas, water, and telecommunications providers – primarily in matters that go before the Public Utilities Regulatory Authority (PURA). The OCC is authorized to participate on behalf of consumer interests in all administrative and judicial forums and in any matters in which the interests of consumers with respect to public utility matters may be involved.

OCC's core mission is to advance the interests of Connecticut's utility customers with a goal of achieving affordable, reliable, and sustainable energy services and improving utility company performance to best meet the needs of consumers. This includes cost-effectively achieving the state's clean energy targets, environmental and greenhouse gas reduction goals, and environmental justice and equity priorities. OCC is also committed to achieving universal access to high-speed affordable broadband connections for all its residents. We help improve Connecticut residents' access to essential services that are critical to health, safety, and economic well-being of our state.

The Office consists of attorneys, accountants, financial analysts, and support staff. Together, OCC pursues its core mission through strategic litigation, policy development, research and data analysis, and engagement with regulators and policymakers, the legislature, the public, and other key stakeholders.