



STATE OF CONNECTICUT

NEWS RELEASE

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PURA INTERIM DECISION CONFIRMS LEGISLATIVE BAN ON VARIABLE RATES

NEW BRITAIN, Conn. (September 30, 2015) – Consumer Counsel Elin Swanson Katz salutes the Public Utilities Regulatory Authority (PURA) for its [Interim Decision](#) today affirming that the Connecticut Legislature’s groundbreaking effort to ban variable retail electric generation rates will have significant consumer benefits. Public Act 15-90, *An Act Concerning Variable Electric Rates*, expressly prohibits electric suppliers from entering into a contract for variable rates – rates that change each month – on or after October 1, 2015 and prohibits suppliers from renewing customers into variable rates on or after October 1, 2015. Pursuant to PURA’s ruling today in Docket No. 15-06-15, *PURA Variable Electric Rate Study*, the rules governing variable electric generation service rates for residential customers in Connecticut are about to change to reflect the new law.

In reaction to this ruling by PURA, Consumer Counsel Katz said, “This is a victory for consumers. We have received thousands of complaints from residential customers of electric suppliers that they were hit by skyrocketing electric prices through variable rates that went up month after month with no warning and no limit. Both the Connecticut Legislature and the PURA Commissioners have made it clear that variable rate contracts are not appropriate for residential consumers – which includes hard-working parents, seniors on a fixed income, people who have electric heat, low-income residents, and those with limited English skills, some of the groups most victimized by these escalating variable rates. We are the first state in the nation to ban variable electric rates, and I am incredibly grateful to everyone who worked to make this happen.”

Under the law and PURA’s ruling, a supplier will need to offer a new customer a rate that cannot go up for at least four months, and then can offer renewal terms, possibly at a new price, that also cannot go up for at least four months. This will give new customers needed stability in comparison to the current situation, where after the initial rate expires, the consumer can be rolled to a variable rate which can fluctuate every month.

Customers who are already paying variable rates should be aware that neither the law nor PURA's ruling immediately prohibit or eliminate variable rates in existing contracts. Rather, it only prohibits entering into new contracts for variable rates or rolling customers onto variable rates on or after October 1, 2015. Customers who already had variable rate products prior to October 1, 2015, will remain on variable rates until their contracts come up for renewal or until they choose to switch to the standard offer or another contract with a supplier.

It remains critical that all electric customers in Connecticut check their bills and make sure that they know the generation rate that they are being charged, whether that rate is fixed or variable, and whether there is a termination fee associated with switching from that rate. The standard service rate for Eversource electric customers is 8.2 cents/kWh through December 31, 2015, while the United Illuminating standard service rate is 9.1 cents/kWh. Many customers who have elected to switch to a retail supplier are paying far more than standard service. Switching back to utility standard service is easy and fast if you are dissatisfied with your third-party supplier. Simply call your electric distribution company and they can typically switch you back to standard service in two business days:

- Eversource residential customer service: 1-800-286-2000
- United Illuminating customer service: 1-800-722-5584

Be careful, however, to check your contract to determine whether you will incur any early termination fees from your retail supplier if you switch supply services. Note that suppliers are not permitted under law to charge a termination fee for customers on a variable rate.

Checking your electric bill to determine your generation service rate is easy and will get even simpler over time, thanks to prior initiatives by the Legislature to promote electric bill clarity. Recent changes to the electric bill allow a customer to see the generation rate he or she is currently paying along with the name of the supplier and the standard service price, so that the customer can readily see whether or not he or she is saving money. Moreover, starting on January 1, 2016, every supplier will be required to state on the first page of every electric bill whether the generation service rate is "fixed" or "monthly" (meaning rates that can vary each month) and next month's rate. If you have electronic billing, Consumer Counsel Katz urges you to click on "View Bill" each month so that you will receive all of the new and important information.

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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.