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Richard E. Sobolewski, Acting Consumer Counsel

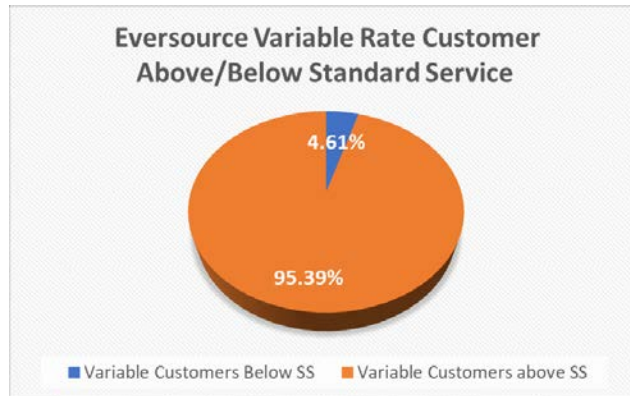
OCC FACT SHEET: ELECTRIC SUPPLIER MARKET, LEGACY VARIABLE RATE ANALYSIS

The Connecticut General Assembly outlawed supplier variable rates effective October 1st, 2015. This change was implemented following the polar vortex, which caused variable rates to spike and cost Connecticut ratepayers millions of dollars. By definition, a variable rate is a supply rate that fluctuates month to month and is based on the current market prices that a supplier pays to source the electricity it sells. While the change in law restricted signing up new customers on variable rates, it allowed current variable rate contracts to be grandfathered in. Due to auto-renewal clauses in these grandfathered contracts, many Connecticut consumers remain on variable rate contracts despite their illegalization five years ago. The analysis below demonstrates the negative financial impact that these legacy variable rate contracts are having on ratepayers.

Eversource Analysis (January 2020)

- The supplier market as a whole had 250,525 customers throughout Eversource Territory
 - 18,878 of those customers, 7.54%, were still on a variable rate
- The total overpayments above the standard service rate for supplier customers for the month of January 2020 was a net overpayment of \$1,359,805
 - The Standard Service rate for January was 9.414 cents/kWh
 - **\$600,882** of the overpayments came from variable rate customers
 - **This means that 7.54% of supplier customers in Eversource territory are paying about 44.19% of all supplier overpayments**
 - Gross Savings for January equaled only \$8,963
 - Gross Overpayments for January equaled \$609,845
- **19 out of 20** variable rate customers had a rate above the standard service rate, while only **1 of those 20** variable rate customers had a rate lower than the Eversource standard service rate.

**Analysis for Eversource is for January 2020 and analysis for UI is for December 2019. This difference in months was due to lag time in data requests to the EDCs. All underlying data is publicly available in PURA Docket No. 18-04-25.*



United Illuminating Analysis (December 2019)

- ❑ The supplier market as a whole had 86,557 customers throughout UITerritory
 - 5,805 of those customers, 6.71%, were still on a variable rate
- ❑ The total overpayments above the standard service rate for supplier customers for the month of December 2019 was a net overpayment of \$1,591,656
 - The Standard Service rate for December was 8.3532 cents/kWh
 - **\$259,986** of the overpayments came from variable rate customers
 - **This means that 6.71% of supplier customers in UI territory are paying 16.33% of all supplier overpayments**
 - Gross Savings for December equaled only \$527
 - Gross Overpayments for December equaled \$206,512
- ❑ **99 out of 100** variable rate customers had a rate above the standard service rate, while only **1 of those 100** variable rate customers had a rate lower than the UI standard service rate

