



**STATE OF CONNECTICUT
OFFICE OF CONSUMER COUNSEL**

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**STATEMENT OF CONSUMER COUNSEL CLAIRE E. COLEMAN ON PURA'S
NOTICE OF VIOLATION AND CIVIL PENALTY AND PROPOSED FINAL
DECISION FINDING AVANGRID VIOLATED COVID-19 ORDER AND STATE
STATUTE**

NEW BRITAIN, Conn. (November 1, 2022) – Consumer Counsel Claire E. Coleman released the following statement in response to the [Notice of Violation and Assessment of Civil Penalty](#) (NOV) and [Proposed Final Decision](#) issued by the Public Utilities Regulatory Authority (PURA) resulting from the Office of Consumer Counsel's (OCC's) investigation of Connecticut utility companies' collection practices during the COVID-19 pandemic.

“I am pleased that PURA’s NOV and Proposed Final Decision support OCC’s recommendation to hold the Avangrid companies accountable for its harmful pursuit of wage garnishments and failure to inform some of Connecticut’s most vulnerable customers about the payment plan specially designed to assist struggling customers during the pandemic,” Consumer Counsel Claire Coleman said. “Ensuring our utilities adopt more equitable utility billing, credit, and collections practices is a high priority for me as Consumer Counsel. UI should have been seeking to assist low-income customers during the unprecedented financial challenges that Covid-19 inflicted upon them, not placing greater pressures on these already overburdened customers and their families.”

PURA’s Notice of Violation imposes a civil penalty of 4.48 million dollars against Avangrid’s United Illuminating, Connecticut Natural Gas, and Southern Connecticut Gas companies for failing to sufficiently inform customers about the COVID-19 payment plan, as well as for referring inactive accounts to third-party collection agencies without providing adequate notice to residential customers that their information would be submitted to credit agencies. The total civil penalty amounts to \$4,481,650. The majority of the fine will be payable to Operation Fuel, a nonprofit company engaged in assisting Connecticut consumers struggling with energy bills.

Background of Proceeding

OCC filed its initial [Petition](#) on March 11, 2022 seeking to investigate the practices of Connecticut’s public utility companies regarding lawsuits and wage garnishment actions pursued during the COVID-19 pandemic. PURA then opened [Docket Number 22-03-16](#) to facilitate the investigation.

After conducting further discovery and participating in evidentiary hearings, OCC filed a [brief](#) and [sur-reply brief](#) outlining the evidence that established that Avangrid failed to provide adequate information about its COVID-19 payment plan to customers who had a wage garnishment case pending against them,¹ despite PURA’s order directing the companies to “[p]roactively and directly contact any residential or industrial customer after the customer’s first missed payment with information regarding the COVID-19 Payment Program” and to “provid[e] options for all customers to pay what they can, when they can, during this time of uncertainty.”²

On October 31, 2022, PURA issued a Proposed Final Decision in Docket Number 22-03-16 as well as an NOV in [Docket Number 22-03-16RE01](#). Observing that “[s]eeking to garnish wages is one of the most egregious collection practices a company can engage in,” the Authority concluded in its Proposed Final Decision: “[w]hen a customer with a pre-COVID judgement missed a payment and Avangrid then applied for a wage execution without directly and proactively contacting the customer to try to enroll them in the Program, the Authority finds that Avangrid did so in violation of Order No. 5 of the Interim Decision.”³

Unlike other utilities, Avangrid also continued to refer delinquent accounts to its legal collections firm throughout the pandemic.⁴ Avangrid has referred over 21,000 customers to its legal collections firm since April of 2020.⁵ Avangrid’s legal collections firm has attempted to contact customers regarding their outstanding balances over 110,000 times since April of 2020,⁶ but did not include information in all correspondence about the COVID-19 Payment Plan or any other payment plan.⁷ PURA adopted these findings in OCC’s brief in the Proposed final Decision, noting that “Avangrid exercised nearly no oversight over its collections firm, including during the COVID-19 pandemic and corresponding Shut-Off Moratorium.”⁸

PURA also found – based on answers to Consumer Counsel Coleman’s questions by Company witnesses at the hearing and Avangrid’s discovery responses⁹ – that during this same period, Avangrid referred inactive accounts to third-party collection agencies without providing adequate notice to residential customers that their information would be submitted to credit agencies, as required by Connecticut General Statutes section 16-262d(g).

¹ See [Avangrid Response](#) to [OCC-26](#) (“the firm has not offered a Covid-19 payment arrangement to customers with a pre-Covid 19 judgment.”); [7/11/22 Transcript](#) at 44-45 (when asked to confirm that customers subject to “pre-Covid-19 judgments” were not offered the Covid-19 Payment Plan, the company witness responded, “I believe that is accurate, yes.”);

² [Interim Decision in Docket No. 20-03-15](#), p. 3

³ *Id.* at 17.

⁴ See [Avangrid Response](#) to [CAE-19](#), p. 2.

⁵ [Avangrid Response](#) to [OCC-04, Attachment 1](#), Tab 2.

⁶ [Avangrid Response](#) to [OCC-13, Attachment 1](#).

⁷ [Avangrid Response](#) to [CAE-003 Attachment 1](#). See also [7/11/22 Transcript](#) pp. 81-83.

⁸ [Proposed Final Decision](#), p. 18.

⁹ See also [7/11/22 Transcript](#) pp. 85-86; Response to Interrogatory CAE-10, Attachment 4.

Acknowledging that “[i]t is alarming that collections practices for active customers varied so significantly among the Public Service Utilities,” and that “the collection practices of Avangrid were especially egregious,”¹⁰ the Proposed Final Decision also recognizes that inactive customers were also likely harmed by the Companies’ continued collections efforts during the pandemic, which “certainly did not comport with the objective of the Shut-off Moratorium.”¹¹

Importantly, the Proposed Final Decision compels Avangrid and the other public service companies to file additional information subject to further scrutiny that we expect will ultimately improve collections practices. For example, the companies are required to further explain their collections policies and practices, clarify the collections language in their customer bills, and provide documentation justifying the benefits of garnishing customers’ wages as a collection technique for further evaluation. OCC looks forward to reviewing these mandatory filings and to working with PURA and other stakeholder to ensure that our utilities’ collections practices are fair, equitable, and compassionate.

Avangrid has twenty days from October 31st to request a hearing before PURA on the NOV, and until November 14, 2022 to file written exceptions to the Proposed Final Decision.

Staff Attorney Tom Wiehl and Utilities Examiner Tyra Peluso are assisting in this matter.

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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.

¹⁰ *Id.* at 19.

¹¹ *Id.* at 21.