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#### MESSAGE FROM THE CONSUMER COUNSEL

The Office of Consumer Counsel's dedicated staff has been hard at work in 2025 since our last issue, standing up for utility customers across the state. While the recent rate adjustments in May and July offer a small amount of rate relief for customers, overall utility bills for electric service continue to strain household budgets. My team and I are very aware of the need to make energy costs more affordable, and our mission remains the same: to fight for fairness, transparency, and relief where it's needed most.

We focused this past legislative session on working with our state and regional partners to curb rising of costs multibillion-dollar transmission-upgrade projects that historically have been reviewed by ISO-New England (ISO-NE) and approved by the Federal Energy Regulatory Commission (FERC) without meaningful oversight. Alongside our partners, we've established stronger review standards and demanded greater accountability from ISO-NE, and we strengthened our authority conduct oversight at the state level with the support of Connecticut's legislature.

The recent changes in federal energy policy coming out of Washington – including the end of tax credits for renewable energy and

tariffs on critical materials needed for our electric distribution system like copper – will unfortunately mean increased costs and threats to grid reliability. At a time when New England needs more generation to meet the demands of Al, any limitation to our generation resources is not welcome news. The importance of distributed energy generation was demonstrated in the recent heat wave at the end of June, when solar tempered demand for grid energy throughout the New **England region.** 

Additionally, as chair of the Low-Income Energy and Water Assistance Board (LIEWAB), I'm deeply concerned about the uncertain future of federally funded utility aid. Earlier this year, the federal government eliminated the staff overseeing the Low-Income Home Energy Assistance Program (LIHEAP), and Trump has proposed zeroing out LIHEAP, threatening access to essential winter heating assistance. We are working closely with our state and federal partners to save this critical program that so many families rely on to stay safe in extreme weather.

On the communications front, at a time when the federal government is dismantling protections for telecommunications and broadband customers, we're stepping up. When



Verizon and Frontier sought PURA approval to merge, we engaged directly in the acquisition review process. After several months, we negotiated a deal that delivered meaningful savings, protections, and oversight for Connecticut customers. Seeing the merits and consumer wins, the deal was adopted by regulators.

While we've had some wins on behalf of consumers, we've heard the ongoing frustration from customers loud and clear. They're tired of the complexity, the rate hikes, and the finger-pointing. They want action. This issue offers a brief snapshot of how we're delivering exactly that.

Best, Claire Coleman



# Consumer Information Corner



#### **Electric Bill Changes**

#### **Supply Rates**

United Illuminating and Eversource Customers Will Pay Lower Standard Service Supply Rates. However, usage trends may increase overall monthly bills during the summer months.

Effective July 1, 2025 customers of Eversource and United Illuminating using an average of 700 kWh per month may see a monthly electric bill decrease by approximately \$10 and \$13 a month, respectively. This is possible due to a decrease in the Standard Service supply rate of roughly 13% for Eversource and 14% for United Illuminating customers.

The current Standard Service rate for Eversource customers is 9.748 ¢ per kWh, while United Illuminating customers are currently paying 11.68 ¢ per kWh. Prior to July 1, 2025, Eversource customers were paying 11.19 ¢ per kWh while United Illuminating customers were paying 13.5683 ¢ per kWh.

All impacted Eversource and United Illuminating customers will be charged these new rates, which can be found under the **Supply category** on their electric bill, multiplied by their monthly usage as measured by their electric meter in kilowatt hours. **This new rate will be in effect from July 1, 2025** through December 31, 2025.

The Office of Consumer Counsel urges consumers to continue to make every effort to reduce bills through energy conservation and efficiency measures.

For more information on reducing your usage and on opportunities for energy efficiency and clean energy improvements, please visit EnergizeCT.com. For more information on this rate change, see OCC's consumer alert <a href="https://example.com/here/be/by/45">here</a>.



#### **Annually Adjusted Rates**

Each year, Connecticut's electric utilities – Eversource and UI – submit requests to recover certain costs through the Revenue Adjustment Mechanism (RAM) proceedings before PURA.

These costs relate to the Transmission and Public Benefits categories, as well as parts of the Local Delivery charge on electric bills. Although many of the RAM cost drivers are outside the utility's direct control. OCC has identified areas - within even the Public Benefits category - where the company does recover revenue that is within its control, similar to base distribution rates. The review process occurs in two phases, with any resulting bill changes taking effect on May 1 and September 1.

Unlike 2024, this year's Phase 1 RAM decision which changed rates on May 1 resulted in lower bills for customers:

- UI customers saw a 1.40% average monthly bill decrease
- Eversource customers saw a
   5.87% average decrease

The decision for Phase 2 will be issued in mid-August and become effective September 1, and while the final bill impact is not yet known, evidence in the record suggests that further rate relief may be on the horizon.

Additionally, under Public Act 25-173, the state legislature has authorized state bond funding to help cover certain RAM-related costs, which OCC is advocating to be reduced from customer bills by the September 1 adjustment, if possible. For more details, follow Docket No's. 25-01-03 and 25-01-04. To learn more about this process and costs that are recovered, see OCC's RAM overview and 2024 FAQ.



### Telecom Spotlight: Don't Let Your Phone Get Disconnected

Do you still have POTS (Plain Old Telephone Service)? If so, your provider may have started sending you notices that they plan to retire the copper wire and migrate your service to fiber technology. The Federal Communications Commission (FCC) permits providers to upgrade the technology they use to provide telephone service, and many providers are choosing to replace their copper telephone lines with fiber to offer their customers a greater variety of products.

#### WHAT'S THE DIFFERENCE?

Copper telephone lines, which have long been used to deliver telephone service, have a conductive nature which allows them maintain operability even in the event of a power outage. Unlike copper, fiber requires electricity to work. This means that a fiber landline delivering either analog or digital voice service will not work during a power outage unless you take certain precautions. Consumers should:

- Request a battery backup unit ("BBU") from their phone company
- Stock up on D-cell batteries
- Ask their provider how many years your BBU will work reliably, and replace it when it reaches end-oflife

Note: Frontier consumers whose phone service is being migrated to fiber will soon be entitled to receive a BBU free of charge as per the conditions of OCC's recent settlement. For a period of four years following the close of the Verizon/Frontier merger, Verizon will supply free of charge a battery back-up unit utilizing D-cell batteries, and a complete first set of batteries to customers who are migrated from copper to fiber as part of Verizon's network transformation program and who choose to have a battery backup unit.

While many consumers are choosing fiber, some are being required to make the switch. OCC's recent settlement ensures that providers give affected consumers adequate notice. These consumers will receive written notice 60 days, 30 days, and 13 days in advance of the deadline for migration. Consumers who identify as over the age of 62 or disabled or seriously ill will receive an additional 30 days from the deadline, if they request additional time, to migrate before being disconnected for failure to migrate.

# WILL MIGRATING TO FIBER AFFECT MY BILL OR MY RIGHTS AS A CONSUMER?

It depends. Consumers subscribed to local telephone service have the option to request that their calling plan remains the same. Regulated analog telephone service can be provided over fiber, and remains subject to certain protections in Connecticut related to billing and termination of service. Consumers who have phone service bundled with DSL internet service may find their bill will increase, as fiber internet service is often more expensive.

Talk to your provider about what incentives or promotions they may have before scheduling your fiber installation appointment.





# TRAINING 1: WHAT ARE PURA AND OCC AND WHAT DO WE DO?

#### OCC Stakeholder Group Compensation Program Training Series

In January's issue, we introduced OCC's video training series in line with the legislative directive for PURA to create a <u>Stakeholder Group Compensation Program</u> in Public Act 23-123. Through this program, groups representing the interests of residential utility customers residing in an environmental justice community, residential utility customers receiving protection as hardship cases, or small business customers may receive compensation for certain expenses if approved to participate in a proceeding.

OCC's trainings are available to prospective stakeholder groups and members of the public to support increased participation and understanding of PURA's decisions and rulings, promote education and awareness of public service company operations, and explain the role and function of PURA as well as of the OCC. Some training materials are available in Spanish. Access these resources and see OCC's latest training video here.

# RECENT VIDEOS:

#### **Training 1**

What are PURA and OCC and what do we do?

#### **Training 2**

<u>Participating in a PURA</u> <u>Proceeding</u>

#### **Training 3**

What happens in a docket and in the hearing room?



# 2025 Legislative Session Recap

# 2025 LEGISLATIVE SESSION RECAP

#### Savings for Utility Customers

As a result of <u>Public Act 25-173</u>, which OCC played a substantial role in negotiating, several key provisions passed this session will help lower utility bills and shield ratepayers from paying the full cost of necessary infrastructure investments and program updates.

- Hardship Customer Debt Relief: Up to \$250 million in state bond funds over the next two years can be used to pay off COVIDera electric bill debt currently being recovered through the Systems Benefit Charge (SBC). This move will directly reduce costs for thousands of customers struggling to pay their monthly bills.
- EV Charging Program Support: An additional \$50 million in state bond funds will pay for PURA's Electric Vehicle Charging Program, preserving this strategic managed charging initiative that helps lower long-term grid costs by reducing peak demand without raising customer bills.
- Securitization for Grid Investments and Storm Costs: Provisions permit the use of state bonding to cover debt costs for expensive grid projects, like smart meter infrastructure and current balances related to storm repairs, which would result in lower rates than the standard alternative. This could prevent hundreds of millions in new charges to customers and will also remove utility profits from these investments.

These forward-thinking strategies will offer real relief for customers today, while laying the groundwork for a more affordable, reliable energy system.



### Aligning Water Service With Public Health Standards

To address the rising costs of compliance with stricter drinking water standards issued by the federal Environmental Protection Agency (EPA) – such as higher limits for hazardous materials like lead and PFAs – <u>Public Act 25-142</u> empowers PURA to allow water companies to recover certain project costs between rate cases through a Water Quality and Treatment Surcharge on customer bills.

- What it does: Water companies must now submit a detailed application to PURA justifying the need, scope and public health impact of certain proposed capital investment projects. Only projects required to meet the new state or federal water quality guidelines, not accounted for in existing rates, are eligible.
- <u>Built-In Safeguards</u>: OCC advocated for this review process to apply to only necessary and cost-effective proposed upgrades while securing major consumer protections guiding this new process, including: annual surcharge limits of 7% with a cap of no more than 15% until the next rate case, required public input on proposed projects, customer notification in the event a surcharge is implemented, and in the event customers are overcharged, they are refunded with interest.

This new mechanism will assist utilities in meeting newly issued public health and water quality standards while protecting customers from unjustified or sudden and excessive cost increases, known as rate shock.



#### Electric Affordability Reviews at PURA

As a result of <u>Public Act 25-173</u>, new legislatively mandated reviews of current policies and procedures will allow OCC and other stakeholders to **enhance fairness and accountability in utility practices**, promote cost-effective program adjustments, and ensure protections for vulnerable customers.

#### **Medical Protection Review:**

PURA is required to open a docket to review shutoff policies surrounding customers with a medical protection status. This process will evaluate how "serious illness" is defined, how long protections should last, payment expectations and how utilities verify medical needs and notify customers. OCC will support protections that are meaningful, equitable and designed appropriately.





#### Renewable Energy Tariff Program Study:

PURA will open a docket to examine whether the current renewable energy tariff program should continue and how to avoid stranded or incomplete projects and their associated costs. The study will look at the impact on non-participating customers and explore equitable program designs. OCC will represent the interests of all ratepayers, pushing for fair and sustainable program designs.

LOW-INCOME
DISCOUNT RATE
(LIDR) EVALUATION

The LIDR is an important program that will hopefully enable more low-income customers to pay their bills, by making them more affordable. New legislative guidelines are intended to reinforce cost containment measures that OCC originally advocated for in the LIDR program, including: monthly usage caps for program participants, annual income verification for continued eligibility, and a set cost threshold to trigger future program reviews. OCC will support the evaluation of this program as it continues to deliver meaningful help to those who need it most.

OCC will engage proactively and continue demonstrating our commitment to transparency, affordability and customer protection in utility regulation.

# 2025 LEGISLATIVE SESSION RECAP



#### **OCC's Legislative Homework**

This session, lawmakers handed OCC several new assignments to advance transparency, accountability and ratepayer savings. Here's what we're tackling over the next year, in addition to our current workload:



Public Benefits Charge Report: OCC will issue a detailed report breaking down the Combined Public Benefits line item on customer electric bills, explaining the origin, purpose and cost-benefit analysis. This significant effort will help customers and policy makers understand what we're paying for and why and further the goal of making fact-based decisions on a going forward basis.

Smart Meter Customer Education Program: Should Connecticut move forward with investing in advanced metering infrastructure (AMI), OCC will work with the utilities and stakeholders to create a customer education and engagement program. OCC will ensure the program properly empowers customers to manage usage, lower bills and reap the full benefits of smart meter technology if implemented.

<u>Transmission Project Oversight:</u> coordination with DEEP, will review the rising costs of Transmission "Asset Condition Projects" (ACP) which are responsible for the growing percentage this category makes up of overall customer bills. As a result of Public Act 25-173, OCC now has a role in ensuring utilities properly justify equipment replacements evaluate cost-effective alternatives to proposed transmission projects. OCC will advocate before the Siting Council to reject costly or unnecessary infrastructure upgrades when warranted.

Energy Procurement Reform: Changes in law as a result of the 2025 legislative session now allow for electric companies to devote some energy from long-term contracts, including the Millstone Power Purchase Agreement (PPA), to providing electric supply to customers, so long as doing so is the best deal for standard service customers. Changes also specify how much energy can be purchased from the dynamic market allowing the utilities to have greater flexibility when it's more cost effective. Consumers benefit from smarter purchasing strategies when prices are lower and more stable.

Solar Consumer Protection Task Force: OCC has a seat on a 17 member legislative taskforce focused on improving disclosure requirements and consumer protections for residents purchasing, leasing or entering into contracts with solar developers. This task force will pay special attention to the needs of low-income and vulnerable populations to ensure there is fairness and transparency as solar adoption continues to grow.

Cost Effective Climate Resiliency Strategy: As a result of Public Act 25-125, the Department of Energy and Environmental Protection, in coordination with the OCC, will develop a report with strategies to lower energy costs, strengthen community resilience to extreme weather effects, and help the state meet greenhouse gas (GHG) reduction goals. OCC will work to align energy affordability and reliability with long-term climate commitments.



# OCC Key Issues

#### OCC's Landmark Win For Telecom Consumers

PURA approved a landmark agreement negotiated by the OCC with Verizon and Frontier Communications securing significant savings, stronger consumer protections, and increased transparency for Connecticut's telecom customers.

The agreement, reached as part of Verizon's acquisition of Frontier's wireline assets in the state, was formally adopted by PURA earlier this year, and reflects OCC's continued commitment to protecting customers as federal oversight of the communications sector weakens.

#### **LOWER COSTS**

- <u>Junk fees eliminated:</u> The Roadwork Recovery fee of \$3/month has been removed from customer bills, saving CT customers an estimated \$2.2 million annually.
- <u>Broader low-income discounts:</u> Participants in CEAP and the National School Lunch Program now qualify for Verizon broadband discounts
- <u>Relief for electric ratepayers:</u> Verizon will repay outstanding storm recovery and vegetation management debts, shielding electric customers from added costs.





#### STRONGER CONSUMER PROTECTIONS

- <u>20-day grace period:</u> Additional shutoff protections for elderly, blind, and disabled customers.
- Notice required before copper retirement: Preventing surprise service interruptions.
- <u>Free battery backup:</u> Consumers moved to fiber will receive a four-year power backup at no cost.

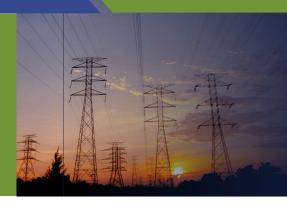
#### **IMPROVED PUBLIC SAFETY & TRANSPARENCY**

- Annual fiber buildout reports to track expansion progress.
- 911 reliability reporting: Verizon will submit regular updates to PURA, OCC, and emergency services on voice service outages, including both copper and digital lines.



OCC will continue to **monitor compliance** and **hold Verizon accountable** to the commitments made in this agreement to **ensure Connecticut consumers receive the full benefits** of this acquisition.

# **Growing Cost of Transmission Infrastructure Upgrades**



The costs of transmission projects keeps growing in the New England region, and OCC continues to seek ways to keep these costs as low as possible while ensuring overall system reliability. The latest figures from ISO New England indicate that as of June 1, 2025, New England's transmission owners plan to spend \$24 billion on transmission projects in the region, both to improve system reliability and to replace older infrastructure. The transmission owners plan to spend \$10.8 billion on Asset Condition Projects, which are projects that simply replace old infrastructure with similar, newer versions of the same basic equipment and layout. These projects have been growing in recent years, and OCC, in conjunction with our consumer advocate colleagues across the region, honed in on this run-away spending which receives little oversight as a major problem for consumers.

After years of advocacy by OCC, DEEP, and others, ISO-NE has agreed to institute an asset condition review program, whereby asset condition projects that the transmission owners propose will undergo additional scrutiny to ensure that the projects are indeed necessary and are right-sized to account for future growth and system needs. OCC will continue to take a very active role in the development of this new asset condition review function for the region, which is expected to be in place by the end of 2026. Among the ideas that OCC feels are imperative to the success of any type of asset condition review process are:

- Transparency in the process and documentation that the reviewer utilizes to conduct the review of asset condition projects
- Production of a detailed, written report that consumer advocates and other stakeholders could rely on when challenging the prudency of an investment at FERC
- Independence from the influence of transmission owners during the course of the review of asset condition projects that they may submit

These and other considerations will remain our top priorities as we work with other stakeholders to develop a meaningful, regional asset condition review process that will protect consumer interests while ensuring that we have a reliable, resilient transmission grid that serves our growing power needs.

At the local level, OCC worked with DEEP to create a state-level asset condition review process that will encourage our state transmission owners to consider the use of cost-effective Grid Enhancing Technologies (GETS) and advanced conductors when they are improving intra-state transmission lines. Working through the Connecticut Siting Council process, OCC and DEEP will now be able to collaborate in regular reviews of the transmission owners' system improvement plans and hire consultants with expertise in transmission-level infrastructure development to assist us in that evaluation. This state-level process will allow OCC and DEEP to conduct similar asset condition review investigations in Connecticut to augment the review process at the regional level.



# Historic Pro-Consumer Supreme Court Aquarion Decision

On July 9th the Connecticut Supreme Court upheld a historic rate reduction in Aquarion Water Company's 2022 underlying rate case, where PURA ordered an over \$40 million reduction to the company's request – resulting in savings for the water utility's customers upon implementation.

When the company sought judicial review of PURA's decision, the OCC intervened in April of 2023 in support of the ruling in order to uphold important consumer protection principles in rate cases. In March of 2024, the Connecticut Superior Court upheld the PURA decision, affirming many of OCC's arguments. Specifically, that Aquarion's rate increase request was

excessive and should not have been imposed on customers because the company did not meet its burden of proof in order to show that customers would benefit from increased rates.

Aquarion appealed the Superior Court's decision, and after a thorough review, the state's highest court affirmed nearly every aspect of PURA's decision and adopted several of OCC's arguments in its reasoning. The decision, effective July 15th, will lift the court-ordered stay on these decreased rates for Aquarion customers – who can expect to see bill savings based on original estimates. More information about the decision can be found here.

#### Key Distribution Rate Proceedings Before PURA

#### **United Illuminating Rate Case**

United Illuminating Company, an electric distribution company owned by Iberdrola, filed an application with PURA in November seeking a rate increase of \$109 million in additional revenue on top of what is currently being collected from their customers. If approved by PURA, this increase would be collected from customers over a single year from the effective date of November 1, 2025.

OCC has filed 886 interrogatories, participated in nine days of hearings directly cross-examining company experts and witnesses and attended public hearings taking direct comments from customers of United Illuminating. These rate case hearings and the virtual public hearing are available on PURA's YouTube page.

OCC has identified several areas of inappropriate use of ratepayer dollars, including UI's practice of paying employees bonuses based on spending more ratepayer dollars on projects; seeking a 64% increase in the profits built into rates; spending ratepayer dollars on managing the English Station cleanup in violation of PURA's clear orders; and passing some infrastructure costs on to ratepayers inappropriately.

We filed our <u>brief</u> on June 30th, and we will continue to advocate for UI customers to keep rates as low as possible as the case proceeds. PURA is expected to issue a Proposed Final Decision in September, and a Final Decision at the end of October.





#### Yankee Gas Company Rate Case

Yankee Gas, a local gas distribution company owned by Eversource, filed an application with PURA in October seeking a \$209 million rate increase in a single year, with revenues to escalate over the three following years. This request is for additional revenue on top of what is already being collected from their customers and it is the largest increase in delivery rates ever proposed by a gas distribution company in Connecticut. It would result in a 43% increase in the gas distribution rates that residential heating customers are currently paying. Yankee has proposed that the increased rates would be effective November 1, 2025.

OCC has filed 554 interrogatories, participated in ten days of hearings directly cross-examining company experts and witnesses and attended public hearings taking direct comments from Yankee's customers. These rate case hearings and the virtual public hearing are available on <u>PURA's YouTube</u> <u>page</u>.

OCC has identified several areas of inappropriate use of ratepayer dollars, which we will fully address in our brief – due to be filed on July 28th. Following briefing, PURA is expected to issue a Proposed Final Decision in September and a Final Decision at the end of October.

# OCC OUT OF OFFICE

## **Building Decarbonization Coalition: Connecticut Policy Call**

OCC's Legal and Regulatory Director, Tom Wiehl, joined the Building Decarbonization Coalition to discuss the present and future of Connecticut's building decarbonization policies and impacts on utility consumers.

#### The Connecticut Office of Consumer Counsel



Tom Wiehl
OCC Legal & Regulatory Director

OCC's presentation focused on the basics of utility regulation, including cost recovery principles regulatory concepts. and takeaways included a focus on highlighting the higher barriers to electrification for low and moderate-income consumers as well as the necessity for utility companies to adjust capital plans to align with state decarbonization goals to avoid stranded costs. Tom was joined by State Representative Steven Winter and the Conservation Law Foundation's Shannon Laun. Watch the panel discussion here.



#### New England Conference of Public Utilities Commissioners (NECPUC) 77th Symposium

This year's NECPUC symposium – held in Mystic, Connecticut – brought together utility commissioners, consumer advocates and stakeholders from across the region to discuss the latest in utility regulation ranging from cyber security and critical grid investments, innovations and trends in rate design and affordability.

Consumer Counsel Coleman lead a continuing legal education training on ethics issues for lawyers in utility regulation, providing a New England state comparison on key ethics considerations for regulatory attorneys.

In addition, Counsel Coleman participated in a panel discussing the critical role of interregional transmission planning in advancing grid reliability and affordability across the Northeast. In April, Connecticut joined eight other Northeast and Mid-Atlantic states to create the first of its kind regional collaborative that identifies specific steps policy makers at every level can take, both in the short and long-term, to address gaps in transmission planning, reduce costs for consumers and make our regional grid more reliable. Read the Northeast States Collaborative on Interregional Transmission's strategic action plan here.



# 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). 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 and research analysts, communications 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.