

June 25, 2024

<u>CONSUMER ALERT</u>: UNITED ILLUMINATING AND EVERSOURCE CUSTOMERS WILL LIKELY SEE INCREASE IN MONTHLY BILLS EFFECTIVE JULY 2024 – REFLECTING BOTH INCREASES FOR DISTRIBUTION COSTS AND DECREASES IN STANDARD SERVICE SUPPLY RATES.

EVERSOURCE CUSTOMERS:

The supply portion of electric bills for residential customers of Eversource paying the Standard Service Supply rate is scheduled to decrease to 8.995 ¢ per kWh on July 1, 2024, as filed and approved by the Public Utilities Regulatory Authority (PURA) on April 17, 2024, 2024:

CL&P/Eversource Standard Service Rates		
7/1/2023	1/1/2024	7/1/2024
13.822 ¢ per kWh	14.864 ¢ per kWh	8.995 ¢ per kWh

Also on July 1, 2024, the delivery portion of electric bills for Eversource customers is scheduled to increase. The increase stems from the company's recent Rate Adjustment Mechanism (RAM) proceeding in which PURA adjusted certain charges related to the company's costs for providing service by roughly \$920 million. This increase would generally result in an approximate monthly increase of \$44 per monthly bill, but will be offset by the decreased Standard Service rate so the average residential customer with 700 kWh per month usage on standard service will experience an approximate \$8 increase per month. More information regarding these adjustments can be found on <u>OCC's website</u>.

UNITED ILLUMINATING CUSTOMERS:

The supply portion of electric bills for customers of United Illuminating (UI) paying the Standard Service Supply rate is scheduled to decrease on July 1, 2024 to 11.9101 ¢ per kWh, as filed and approved (PURA on April 17, 2024:

United Illuminating Standard Service Rates		
7/1/2023	1/1/2024	7/1/2024
10.62 ¢ per kWh	16.9799 ¢ per kWh	11.9101 ¢ per kWh

Also on July 1, 2024, the delivery portion of electric bills for United Illuminating customers is scheduled to increase. The increase stems from UI's recent RAM proceeding in which PURA adjusted certain charges related to the company's costs for providing service.

Those collective increases of roughly \$356 million, which would have amounted to an approximate monthly increase of approximately \$34 per monthly bill, are offset by the decreased Standard Service rate. As a result, the average residential customer with 700 kWh per month usage will experience an approximate \$1.36 increase per month per customer. More information regarding these adjustments can be found on <u>OCC's website</u>.

Customers should be aware that on average, energy consumption increases by approximately 35% in the summer months due to increased use of air conditioning and cooling systems.

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 <u>EnergizeCT.com</u>.

Frequently Asked Questions

1. How much is Eversource's and United Illuminating's Standard Service Rate changing and how will this impact my bill?

All impacted Eversource and United Illuminating customers will be charged the new Standard Service rate as of July 1, 2024, as identified in the table above, multiplied by their monthly electricity usage as measured by their electric meter in kilowatt hours.

The table above shows the Standard Service rate changes. The current Standard Service rate for Eversource customers is 14.864 ¢ per kWh, while United Illuminating customers are currently paying 16.9799 ¢ per kWh. On July 1, 2024, Eversource customers will pay 8.995 ¢ per kWh while United Illuminating customers will pay 11.9101 ¢ per kWh.

All customers on Standard Service will pay a rate roughly 5 ¢ per kWh less for electricity from July 1, 2024 to December 31, 2024 than they paid from the period between January 1, 2024 to June 30, 2024.

Customers who do not currently receive electricity supply from Eversource and United Illuminating and are currently under contract with a third-party supplier will not automatically see the benefit of this decreased rate.

2. How do I know whether I purchase electricity supplied directly from Eversource/United Illuminating or from a third-party supplier?

Look at the first page of your electric bill to see if you receive your electricity directly from Eversource or United Illuminating. Under the header on the right-hand side, your bill either says, "Your Electric Supplier Is" or "Your Supplier Information". If the next line says "Eversource" or "United Illuminating" then you are enrolled in the Standard Service rate and are affected by these changes.

A sample bill of Eversource's bill can be found <u>here</u> and a sample of United Illuminating's bill <u>here</u>.

3. If I purchase energy from a verified third-party supplier through the Rate Board available on EnergizeCT, will I be affected by this change?

Unfortunately, customers on verified third-party suppliers will likely see a larger rate increase than those customers on Standard Service. Customers on competitive supply offers that began in the first half of 2024 might have been paying less than customers that remained on Standard Service supply and might have already experienced reductions in the "supply" portion of their bills.

Eversource customers receiving electricity from third-party suppliers will see the parts of their bill not associated with their supply rate increase around \$47 per month. Similarly, some United Illuminating customers will see increases of about \$34 per month in those parts of their bills. Because these customers are with a supplier, they benefited from lower prices as compared to standard service customers over the winter months, but will not see the decrease in the standard service rate to offset these increases to other parts of their bills.

OCC strongly encourages customers with a third-party supplier to review their contract as soon as possible to ensure that they are paying no more than the Standard Service offer for their electricity – customers can terminate their third-party supplier contract at any time and revert back to Standard Service.

Third-party rates available as of June 11, 2024, are available on the <u>EnergizeCT.com</u> Rate Board. Though these offers were lower than standard service as of June 11, 2024, the reduction in Standard Service rate may no longer make a current third-party supplier contract a more affordable option for electric service.

Please note that the offers available on the Rate Board change frequently, and customers should always and consistently consult EnergizeCT for the most up-to-date available offers. These third-party supplier rates are sometimes for longer periods than the utility's standard service rates, and consumers who engage with the market should review all contract terms vigilantly and monitor how their rate compares to standard service rates as they change each July and January.

Residential customers, should keep in mind that Energy Suppliers:

- Cannot charge sign-up fees;
- Cannot charge monthly fees in addition to the contracted price of supply;
- Cannot advertise a "teaser" rate followed by an increased rate;
- Rates must be at least 4 months in length
- Cannot charge an early termination fee;
- Do not know, and cannot infer that they know, future Standard Service rates;
- Are not affiliated with Eversource or UI;
- Are not affiliated with PURA, DEEP, OCC, or any other state or federal government agency.

<u>Customers should also be certain to enter EnergizeCT.com into their url window or ensure that their</u> <u>search for EnergizeCT takes them to the website EnergizeCT.com.</u> Many searches take customers to <u>supplier-funded websites that do not display all publicly available rates</u>.

4. Why is the Standard Service rate changing?

Every six-month period, PURA approves the Standard Service supply rate for electricity following a competitive procurement process. The Standard Service rate is the price paid by you, as a ratepayer, for the cost of generating the electricity you use. This differs from the transmission and distribution rates, which reflects the price you pay to cover the costs of delivering the electricity to your home. The standard service rate is a pass-through rate, meaning the money you pay to your regulated electric distribution company is passed on directly to the supplier from whom they purchase the electricity they bring to your home. Eversource and United Illuminating do not derive any profits from the Standard Service rate.

The supply rates are directly affected by the market price of natural gas, which is the fuel used to generate the majority of Connecticut's electricity. When the market price of natural gas increases, supply rates also increase.

Connecticut usually has lower rates during higher usage summer months and higher rates during lower usage winter months. This pattern generally reflects appropriate price signals since high natural gas prices push up electric energy prices in the winter. Since natural gas is used for a large amount of heating in New England, the resource is constrained during the winter months which drives prices up. This increase in price then flows through to increased prices for electricity generation.

5. How is the Standard Service price of electricity set?

In the late 1990s, Connecticut adopted a plan to restructure its electric industry whereby Eversource and UI were no longer allowed to generate electricity. Acting strictly as distribution companies, they must purchase electricity from third party suppliers.

The standard service procurement process involves the EDCs assembling a portfolio of contracts with wholesale suppliers through a competitive bidding process, consistent with a PURA approved <u>Procurement Plan</u>. The procurements are supervised and administered by the PURA Procurement Manager, with participation from OCC.

Connecticut's procurement process allows us to capture competitive prices multiple times a year, to help ensure that consumers are paying the lowest possible market-based rates for electricity supply.

6. Why is the Delivery portion of my bill increasing?

The rates you pay for the costs Eversource and United Illuminating incur for providing service are identified within the "Local Delivery" portion of your bill. These costs include the following items: Fixed Monthly Charge, Local Delivery and Local Delivery Improvements, Revenue Decoupling and the Competitive Transition Assessment Charge. These costs are known as "pass through" costs and are reconciled on an annual basis through the Rate Adjustment Mechanisms ("RAM") Docket.

This year, as a result of two proceedings before PURA -- Docket No. 24-01-04 PURA's Annual Reivew of the Rate Adjustment Mechanisms of the United Illuminating Company and Docket No. 24-01-03 PURA Annual Review of the Rate Adjustment Mechanisms of the Connecticut Light and Power Company – rates have changed within the four distribution rate components for both United Illuminating and Eversource Customers. More information regarding these adjustments can be found on OCC's website.

7. How long will these rates be in effect?

The supply rates will be effective on July 1, 2024 and new rates will take effect January 1, 2025. The Distribution rates may change again on September 1, 2024, pending proceedings taking place before PURA this summer, and are usually adjusted again on May 1st of each year. This year PURA delayed the effective date of the rate increases to July 1 to take advantage of the offset that would occur from lower Standard Service rates.

8. If I have trouble paying my bill, what help is available?

It is important for any customer having difficulty paying their bill to call Eversource at 1-800-286-2828 or UI at 1-800-722-5584 before missing a payment. Customers who contact the utility prior to missing a

payment have more options available. Information is also available online at <u>Energy Bill Assistance</u> <u>Eversource</u> and <u>Help With Bill - UI (uinet.com)</u>.

- Customers whose income is less than 60% of the state median income or who receive other government benefits (such as SNAP or HUSKY) may be eligible for a financial hardship designation, which provides access to the Low-Income Discount Rate applied to the customer's monthly electric bill and to payment arrangements in which the utility matches the customer's payment to reduce the customer's arrearage.
- Customers who qualify for a financial hardship designation also should apply for Energy Assistance from DSS (<u>Energy Assistance</u>), which further reduces a customer's arrearage or monthly payment.
- Non-financial hardship customers may receive a flexible payment arrangement that allows the customer to pay off arrearages over eighteen months.
- Customers should also ask the utilities about information on energy efficiency programs, including the Home Energy Solutions program. Customers who participate in HES can have their home evaluated for needed energy efficiency improvements and may be provided rebates and discounts on the needed improvements. Income-eligible customers also may qualify for Home Energy Solutions – Income Eligible, which offers free home energy audits and significant discounts on energy efficiency products. Energy Evaluation Income-Eligible Details | EnergizeCT