



**STATE OF CONNECTICUT**  
**PUBLIC UTILITIES REGULATORY AUTHORITY**

*Frequently Asked Questions*

***PURA Establishes Low-Income Discount Rate for Qualifying Residential Electric Customers***

October 19, 2022

[Docket No. 17-12-03RE11](#)

**What are the results of the Final Decision in this proceeding?**

In this [Final Decision](#), the Connecticut Public Utilities Regulatory Authority (PURA or the Authority) directs Eversource Energy (Eversource) and The United Illuminating Company (UI), to establish a two-tiered low-income discount rate (LIDR) to provide direct energy assistance to qualifying residential electric customers to improve the affordability of electric rates in Connecticut.

**What are the goals of establishing discounted residential electric rates?**

PURA applied a common metric for assessing energy affordability in this Decision, which aims to limit household energy costs to 6% of a customer's annual household income. Through adoption of a LIDR, the Authority also aims to reduce uncollectibles, which refers to unpaid electric bills that are socialized across all other electric customers. Since uncollectibles increase electric rates for all ratepayers, actions taken by the Authority, such as the implementation of a LIDR that is designed to lessen unpaid bills, as well as the need for service disconnections and reconnections, will also benefit ratepayers.

**When will these rates be developed? How do I sign up?**

Eversource and UI shall begin offering a two-tiered LIDR no later than January 1, 2024, which means enrolled customers will begin to see a discount applied to the first bill they receive after that date. However, customers can begin submitting proof of eligibility for the LIDR on August 1, 2023. The electric utilities will automatically enroll households qualifying for financial hardship and households that receive CEAP funds into Tier 1 of the LIDR. For customers who may be eligible for the higher of the two discount rates (Tier 2), customers need to contact their electric utility or visit their local [Community](#)

[Action Agency](#) to enroll.

Customers must recertify their eligibility each year to remain enrolled in either tier of the LIDR.

### **Which customers will qualify?**

Households with incomes at or below 60% of the state median income (SMI) are eligible to receive a 10% discount off their total electric bill each month (Tier 1 discount). For example, as of July 1, 2022, the current income eligibility for a family of four is \$76,465 and a family of two is \$51,996. Eligibility for the 10% discount rate can be demonstrated in several ways, including if you or someone in your household: (1) receives Connecticut Energy Assistance Program (CEAP) funds; (2) are designated as financial hardship with your electric utility; or (3) receives HUSKY A Medicaid coverage available for pregnant women or for children under the age of 19.

Households earning up to 160% of the federal poverty guidelines (FPG) are eligible to receive a 50% discount off their total electric bill each month (Tier 2 discount). For example, as of July 1, 2022, the current income eligibility cap for a family of four is \$44,400 and a family of two is \$29,296. Eligibility for the 50% discount rate can be demonstrated in several ways, including if you or someone in your household receives benefits from: (1) the Supplemental Security Income Program (SSI); (2) Supplemental Nutrition Assistance Program (SNAP); (3) Temporary Family Assistance Program (TFA); (4) HUSKY D Medicaid health insurance; or (5) HUSKY A Medicaid coverage specifically for parents and caretakers.

<b>Tier</b>	<b>Income-Eligibility</b>
1	Up to 60% SMI (i.e., lower level discount)
2	Up to 160% FPG (i.e., higher level discount)

### **What are the monthly usage caps for LIDR customers?**

The Connecticut LIDR will include monthly usage caps as an important cost control mechanism and to ensure consistency with the state's longstanding policies that promote energy conservation. The Authority examined monthly usage and other data provided by the utilities to establish separate monthly kWh caps for electric heating and electric non-heating customers that were not unduly restrictive and take into consideration the limited ability of many low-income customers to control their electric usage.

### **Monthly Usage Caps Applied to LIDR**

<b>Eversource's Rate 1; UI's Rate R</b>	<b>Eversource's Rate 5 &amp; Rate 7; UI's Rate RT</b>
800 kWh/month	1,200 kWh/month

### **How will the EDCs inform ratepayers about the LIDR?**

No later than May 15, 2023, the EDCs will each submit for PURA review and approval customer communication materials, including sample bills, which are required to adopt the bill redesign modifications approved by the [Final Decision](#) in Docket No. 14-07-19RE06. The line-item credit on the eligible residential customer electric bills will be labeled as "Low-Income Discount." Additional details on the proof of verification documentation accepted to enroll in the Tier 1 and Tier 2 discounts will be forthcoming from the EDCs.

### **How often will PURA review the LIDR?**

The Authority will re-evaluate the program on a biennial cycle as part of the relevant energy affordability annual review proceeding (e.g., Docket No. XX-05-01), with the first review expected in 2025 through Docket No. 25-05-01.

### **Why did PURA initiate this investigation?**

Section 5 of Public Act 20-5, the "[Take Back Our Grid Act](#)", authorizes the Authority to initiate a proceeding to consider the implementation of low-income rates for electric utility customers. PURA also has statutory authority to establish rates based on a "clear public need" (see, General Statutes of Connecticut § 16-19e).

In addition, as part of the Authority's [Equitable Modern Grid initiative](#), PURA initiated an investigation into the topic of energy affordability in October 2019, which resulted in the establishment of energy affordability annual review proceedings (e.g., Docket No. XX-05-01) and a suite of enhancements to other energy affordability offerings.