

## **Joint Statement from Acadia Center and the CT Roundtable on Climate and Jobs June 30, 2015**

Last year, Eversource Energy (then Connecticut Light & Power) proposed a dramatic 59% increase in the monthly residential fixed charge, with the stated intent of countering declining revenue due to energy efficiency and distributed renewables. In response, Acadia Center and the Connecticut Roundtable on Climate and Jobs initiated a campaign to roll back a decade of rising fixed charges that disproportionately impact low and moderate income customers and interfere with energy efficiency and clean energy investments. The fixed charge – also known as the customer service charge – is a monthly flat minimum charge that customers must pay just to have access to electricity. Eversource Energy and United Illuminating respectively charge the highest (\$19.25) and second highest (\$17.25) fixed charges for residential customers of any major electric utility in New England.

S.B. 570, a bill that included language addressing the fixed charge issue, was passed unanimously by the Senate but was not brought to the House floor for a vote during the regular session. Fortunately, the section on fixed charges was incorporated into the budget implementer bill approved late Monday night by the General Assembly in special session.

“The General Assembly has given all residential electricity customers some real hope by passing a fixed charge remedy that should rein in the misuse of this unfair fee – if applied correctly by regulators,” said William E. Dornbos, Acadia Center’s Connecticut Director and Senior Attorney. “The General Assembly has returned the fixed charge to something much closer to its historical purpose – only covering the costs of giving customers access to the grid, such as the cost of the meter and billing. By limiting the scope of the fixed charge with a statutory definition, this week’s legislative action should lead to a reduced fixed charge that will give consumers more control over their electricity costs.”

“Narrowing the scope for the fixed charge will also place our electricity pricing in better alignment with our current state policies in favor of rapid expansion of energy efficiency and small-scale renewables,” said John Humphries, organizer for the Connecticut Roundtable on Climate and Jobs. “By returning the fixed charge to its original intent, the new law should provide a remedy for unfair electricity pricing for residential customers and support the growth of a clean energy economy that creates and sustains good jobs here in Connecticut.”

Our diverse coalition of labor, small business, faith, municipalities, and environmental organizations want to thank the co-chairs and ranking members of the General Assembly’s Energy & Technology Committee, as well as the Senate and House leadership, for taking this important step and finally putting a halt to skyrocketing fixed charges. They have given consumers real help. These changes should lead to meaningful change for the better for an overwhelming majority of Connecticut’s residential electric customers.

While this new fixed charge protection represents significant progress and deserves to be applauded, the work to protect consumers from high fixed charges will continue. The Public Utilities Regulatory Authority will need to apply this new definition of a residential fixed charge in a transparent, pro-customer way in the next rate cases for Eversource Energy and United Illuminating. Our coalition will be monitoring and participating in those rate cases to ensure a fair and appropriate application of the definition. And the legislature will need to extend the definition to include small business customers, who have seen their fixed charges nearly double over the last eight years.

For more information on the problem of high fixed charges in Connecticut, please see recent [analysis](#) by Acadia Center on the disproportionate impacts on low-use residential customers, and also visit the CT Roundtable’s fixed charge [webpage](#), which has background information, legislative fact sheets, and additional analysis.