

CT Roundtable on Climate and Jobs

FOR IMMEDIATE RELEASE

September 12, 2016

Contact: John Humphries – 860-216-7972 (cell); john.humphries1664@gmail.com

PURA Urged to Remove “Punishment Fee” from United Illuminating’s Residential Charges

**Coalition of Labor, Religious, and Environmental Groups
Presents Letter Endorsed by 30+ Organizations**

“Rules of the game have changed” due to law passed in 2015

On Monday, the Public Utilities Regulatory Authority (PURA) opened proceedings to consider the application by the United Illuminating Company (UI) to increase its rates and charges. This rate case is the first test of a new law passed by the Connecticut General Assembly in 2015 to rein in the highest monthly fixed charges in the region and will therefore have an impact on electric customers throughout the state.

The CT Roundtable on Climate and Jobs presented a public comment highlighting a letter endorsed by more than 30 organizations urging PURA to enforce the law and reduce the residential fixed charge – the amount a customer must pay before she ever turns on a light bulb.

CT residents pay highest fixed charges among all customers of any major utility in New England. High fixed charges work against the state's strong commitment to energy efficiency and solar programs, slow the growth of a green jobs economy, disempower consumers, and hit hardest those who can least afford to pay.

The Roundtable's organizer John Humphries reminded the PURA commissioners that CT State Representative Lonnie Reed, co-chair of the Energy and Technology Committee, called the fixed charge a “punishment fee” after PURA approved a 20% increase in Eversource's fixed charge two years ago.

“Our Public Policy is a big success. People are excited about conservation and renewables. They are flocking to participate,” Reed said at press conference in December 2014. “CL&P's response to this new reality is frustrating and infuriating. ...CL&P is penalizing us all for doing the right thing. This [high fixed charge] is a Punishment Fee for ratepayers.”

Rep. Reed joined with Senate President Martin Looney and other lawmakers in winning passage of legislation that narrowly defines and limits which costs can be included when calculating the fixed charge.

The Office of Consumer Counsel has submitted expert testimony (<http://bit.ly/2blt7bf>) determining that, under the new law, UI's monthly residential fixed charge should be reduced to \$7.63/month, a reduction of nearly \$10/month.

Humphries wrapped up his comment by telling the PURA commissioners that "the rules of the game have changed since the last time you played and allowed Eversource to impose this punishment fee on thousands of residential customers like me. You now have the responsibility of ensuring that all costs outside the scope of the new state law have been removed from the residential fixed charge." (Download full public comment: <http://bit.ly/2cE36GL>)

Groups joining the CT Roundtable on Climate and Jobs in urging PURA to enforce the law and protect the public interest include: Acadia Center, CT AFL-CIO, the Connecticut Conference of the United Church of Christ, SEIU Connecticut State Council, Interreligious Eco-Justice Network, CT Fund for the Environment and the Greater Hartford Labor Council.

The Roundtable has also gathered more than 120 individual endorsements for an online statement at: <http://bit.ly/UI9-16>.

*Launched in June 2012, the **Connecticut Roundtable on Climate and Jobs** (www.CTClimateandJobs.org) seeks to strengthen collaboration among Connecticut's labor, environmental, and religious groups in advocating for public policies that address urgent concerns about climate change while creating good-paying jobs right here in our state.*

List of Endorsements (as of 9/12/16):

Acadia Center
Clean Water Action, Connecticut
Connecticut AFL-CIO
Connecticut Alliance for Retired Americans
Connecticut Conference, United Church of Christ
Connecticut Fund for the Environment
Connecticut State Council of Machinists
ConnPIRG
Conservation, Energy & Environment Committee of Bloomfield
Cornwall Energy Task Force
Eastern Connecticut Green Action

Enviro Energy Connections
Environment Connecticut
Fight the Hike
GEU-UAW Local 6950
Greater Hartford Labor Council
Institute for Sustainable Energy at ECSU
Interreligious Eco-Justice Network
The Jonah Center for Earth and Art
New Haven/Leon Sister City Project
New Haven Peoples Center
People's Action for Clean Energy (PACE)
PT Barnum Resident Council
PT Partners
SEIU Connecticut State Council
Sierra Club – Connecticut Chapter
Solar Connecticut
Sun-Wind Solutions
350 CT
Town of Bloomfield

Text of the Letter:

September 12, 2016

VIA E-FILING AND U.S. MAIL

Jeffrey R. Gaudiosi, Esq.
Executive Secretary
Public Utilities Regulatory Authority
10 Franklin Square
New Britain, CT 06051

Re: Docket No. 16-06-04

Application Of The United Illuminating Company To Increase Its Rates And Charges

Dear Mr. Gaudiosi:

The CT Roundtable on Climate and Jobs files this comment in the above-referenced docket on behalf of the organizations listed below. We thank the Public Utilities Regulatory Authority (PURA) for this opportunity to participate in this important rate case proceeding.

Most of the groups signing this letter were part of a broad coalition that helped win state legislation in 2015 to halt a decade of increases in monthly fixed charges for CT's electric customers. Residential

customers had seen their monthly fixed charge more than double in a decade (2004-2014), resulting in the highest (Eversource; \$19.25/mo) and second highest (UI; \$17.25/mo) in New England for any major utility. Meanwhile, Eversource customers in Massachusetts continue to pay fixed charges less than \$7/month.

Connecticut's legislators recognized the need for change, and they passed a law clearly limiting what costs can be included in the fixed charge: "...only the fixed costs and operation and maintenance expenses directly related to metering, billing, service connections and the provision of customer service" (Conn. Gen. Stat. § 16-243bb). The current rate case for United Illuminating (UI) is the first test for enforcement of this new law and will establish a precedent affecting ratepayers throughout the state.

We strongly support expert testimony prepared by Scott J. Rubin on behalf of the Office of Consumer Counsel, providing an analysis of UI's cost-of-service study (COSS). Mr. Rubin concludes that, under the law, a unified customer charge for residential classes R and RT should be \$7.63 per customer per month, a reduction of almost \$10.

Acadia Center, one of the signatories to this letter, has performed a similar analysis and determined that the reasonable range for UI's monthly residential fixed charge for Rate R customers would be \$6.04 to \$7.95, depending on the treatment of different costs under the new law. As more information comes out during the rate case, these calculations could change and the results could move even lower.

Reducing the fixed charge to satisfy the law would also serve the public interest:

- it would give residential consumers greater control over their energy costs by making a greater proportion of the bill directly tied to energy use;
- it would relieve an undue burden on low-income residents, most of whom use less energy than the average customer and would therefore see a reduction in their monthly bill;
- it would enhance the incentives for energy efficiency and rooftop solar, which are critical elements of the state's plan for achieving its climate goals; and
- it would encourage the expansion of a clean energy sector that provides green jobs for workers right here in Connecticut.

We strongly encourage PURA to conduct a rigorous review of United Illuminating's cost claims, calculations, and methodology to ensure that all costs outside the scope of state law have been removed from the residential fixed charge.

Sincerely,

John Humphries, Organizer
CT Roundtable on Climate and Jobs

###