

October 14, 2016

Connecticut Public Utilities Regulatory Authority
Ten Franklin Square
New Britain, CT 06051

RE: United Illuminating (UI) Rate Case and Implementation of Fixed Charge Statute

Dear Vice-Chairman Betkoski and Commissioner Caron:

We appreciate the important work that the Connecticut Public Utilities Regulatory Authority is undertaking in the current rate case for United Illuminating (UI), Docket 16-06-04. The undersigned 16 public interest and clean energy business and advocacy organizations are writing in regard to implementation of the new statutory provision limiting residential fixed charges, otherwise known as monthly basic service charges.

The new residential fixed charge statute, Conn. Gen. Stat. § 16-243bb, limits these charges to “only the fixed costs and operation and maintenance expenses directly related to metering, billing, service connections and the provision of customer service.” These categories of costs line up with a regulatory definition for “customer costs” that is used in many jurisdictions. Using this definition, customer charges “typically amount[] to no more than \$5 to \$10 a month per residential consumer.”¹ In the UI rate case, analysis to date has indicated that the reasonable range of outcomes for such a charge would likely be between \$6 and \$8 per month. This indicates to us that a decision reducing UI’s current residential fixed charge of \$17.25 to below \$8 per month is legally necessary.

In addition, across the country for the past several years, we have seen a major trend towards utility advocacy for higher fixed charges. However, high fixed charges disproportionately harm low-use and low-income customers, reduce customer control of bills, and risk discouraging innovation, including customer adoption of energy efficiency and clean, advanced and renewable energy generation. Proper implementation of the new statute, likely through reducing the fixed charge below \$8, would make Connecticut a national leader in reversing this trend and help the state meet its energy and environmental goals.

Thank you for your consideration and your commitment to protecting the ratepayers of Connecticut.

¹ Lazar, J. and Gonzalez, W. (2015). *Smart Rate Design for a Smart Future*, p. 36. Montpelier, VT: Regulatory Assistance Project. Available at: <http://www.raponline.org/document/download/id/7680>

Sincerely,

Mark LeBel	Acadia Center
John Erlingheuser	AARP Connecticut
Shannon Baker-Branstetter	Consumers Union
Brendan Reed	Energy Freedom Coalition of America
Bret Fanshaw	Environment America
Diane Munns	Environmental Defense Fund
John Howat	National Consumer Law Center on Behalf of its Low-income Clients
Jackson Morris	Natural Resources Defense Council
Janet Gail Besser	Northeast Clean Energy Council
Paul Gromer	Northeast Energy Efficiency Council
Karl Rabago	Pace Energy and Climate Center
Richard Berkley	Public Utility Law Project of New York
Joshua Berman	Sierra Club
Sean Gallagher	Solar Energy Industries Association
Andre Delattre	U.S. Public Interest Research Group
Nathan Phelps	Vote Solar

CC:

Commissioner Robert Klee, Department of Energy and Environmental Protection (DEEP)
Deputy Commissioner for Energy Katie Scharf Dykes, DEEP
President Pro Tempore Martin Looney
Speaker of the House Brendan Sharkey
Representative Lonnie Reed, Co-Chair of Energy and Technology Committee
Senator Paul Doyle, Co-Chair of Energy and Technology Committee