UNDERSTANDING YOUR ELECTRIC BILL, PUBLIC BENEFITS, AND RECENT RATE CHANGES



Connecticut Public Utilities Regulatory Authority

Q: I do not understand what is on my electric bill. How do I read my bill?

To help you better understand your electric bill, we've provided the following PURA videos offering a basic overview:

- Eversource
- The United Illuminating Company (UI).

Additionally, you can access detailed bill tutorials and information from the utility companies directly:

- Eversource: Understanding Your Bill
- United Illuminating: Understand Your Bill

Q: Is there a resource that provides a detailed explanation of my electric bill?

Yes, the Office of the Consumer Counsel (OCC) offers a comprehensive resource that explains the various elements and rate components of your electric bill: <u>Electricity</u>.

Q: What is causing electricity bills to rise in July 2024?

A combination of factors, including seasonal usage and temporary rate increases.

Seasonal Usage

One reason for a rise in your electric bill may be a result of increased household consumption during the summer months. While there have been temporary increases in some electric rates or tariffs, the significant impact on your bill may be due to higher usage from the previous month, particularly from air conditioning during hot weather, rather than rate increases alone.

For instance, running a typical 12,000 BTU air conditioner for 8 hours a day can add over \$90 per month to your bill, while a 36,000 BTU unit can increase it by up to \$300 per month. To mitigate these costs, we encourage households to conserve electricity and <u>explore various options</u>, <u>such as home energy assessments</u>, to reduce energy consumption.

Public Benefits

The Public Benefits portion of your bill includes charges that fund energy-related public policy programs enacted by Connecticut's General Assembly.



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Q: Are "Public Benefits" charges on electric bills new? Do I have to pay them?

The Public Benefits charges on your electric bill are not new. However, a recent law, <u>Public Act 23-102</u>, mandates greater transparency in these charges, leading to a redesign of residential electric bills. These charges are legally required, and you cannot opt out of them.

Q: What are the "Public Benefits" charges on my electric bill?

The "Public Benefits" section of your electric bill includes two key line items: the Non-bypassable Federally Mandated Congestion Charge (NBFMCC) and the Combined Public Benefits Charge (CB).

NBFMCC (Federally Mandated Congestion Charge)

The NBFMCC supports generation-related programs such as state-mandated Millstone power purchase contracts, incentives for renewable energy generation, infrastructure, and various other renewable energy programs.

Combined Public Benefits Charge

The Combined Public Benefits Charge consolidates three separate charges:

- 1. Systems Benefit Charge (SBC)
- 2. Renewable Energy Investment Charge
- 3. Conservation and Load Management (C&LM) Charge (focused on energy efficiency programs)

These charges cover the costs of state-mandated programs that support energy efficiency, renewable energy initiatives (e.g., residential solar panels), Operation Fuel, low-income loan programs, and assistance for customers struggling to pay their electric bills.

These programs benefit all ratepayers by promoting investments in a carbon-free electric grid, reducing reliance on fossil fuels, expanding demand management options like energy efficiency and solar power for homes and businesses, and contributing to the economic well-being, health, safety, and wellness of Connecticut residents.

Please note that these costs are not new; the recent redesign of bills simply makes them more transparent. Not all charges were impacted by recent rate changes.

Q: Who can I contact to express my opinion about these Public Benefits programs?

For concerns or complaints about public benefits programs or other policy-related issues, the best course of action is to reach out to your Connecticut Representative or Senator. You can find and contact your elected official here: <u>Contact Your Elected Official</u>.

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Q: I have United Illuminating. Why does my bill look different?

United Illuminating bills itemize the Public Benefits charges in a slightly different way than Eversource. However, the concepts and the makeup of the charges are the same. As with Eversource, it is important to note that not all charges were impacted by recent rate changes.

Combined Public Benefits Charge:

The combination of the following three-line-item charges:

- Energy Assistance Costs: Includes the costs associated with various assistance programs and outstanding balances.
- Energy Efficiency Programs: Includes costs that were previously included in the Conservation Adjustment Mechanism.
- Renewable Energy Investment: Includes cost associated with the Renewable Energy Charge set by the Connecticut General Statutes.

Non-Bypassable Federal Mandated Congestion Charge (NBFMCC):

The combination of the following 4 charges:

- New England Grid Operator Cost: Includes the costs primarily associated with the New England grid operator responsible for reliably operating the electric system.
- State Mandated Energy Purchases: Includes the costs associated with state-mandated energy purchases, including Power Purchase Agreements.
- Customer Produced Energy: Includes the costs associated with tariffs the local distribution company is required to offer such as customer renewable energy programs.
- Misc. & Other Mandates: Includes other costs primarily associated with providing reliable electric service and/or other state mandates that are not included in the previous three (3) charges.

As with Eversource, it is important to note that not all charges were impacted by recent rate changes.

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Q: Why was I double-charged for the Public Benefits line items on my bill?

You were not double charged. There are two distinct charges under the Public Benefits section: the Combined Public Benefits Charge (CPB) and the Federally Mandated Congestion Charge (FMCC).

If it appears that these charges are duplicated, please check your bill to see if the charges have been split to cover usage before and after July 1, 2024. The total usage assigned to each CPB and FMCC charge should not exceed the overall usage on your monthly bill.

The split billing is due to a rate increase that took effect on July 1, 2024. Customers may notice this kind of split billing when rate increases take place during a billing cycle, including September.

Q: How are these tariffs reviewed? Do the rates in review go up every year?

The Public Utilities Regulatory Authority (PURA) conducts an annual review of rates related to your bill through a process known as the Revenue Adjustment Mechanism (RAM).

This review includes, but not limited to, the rates for Public Benefits, including portions of the Combined Public Benefits Charge (CPB), specifically the SBC, and the Non-bypassable Federally Mandated Congestion Charge (NBFMCC), as well as other costs tied to the cost of energy delivery.

Specifically, RAM addresses two main components:

Public Policy and Program Costs: RAM reconciles the costs that Connecticut's investor-owned electric distribution companies, Eversource and United Illuminating, incur from state and federal mandates for public policy programs. These costs include expenses for renewable energy programs and infrastructure, energy efficiency initiatives, social programs, and other regulatory requirements. RAM ensures these costs are accurately passed through to customers without any additional markup or profit for the utility companies.

Distribution Revenue Reconciliation: RAM also reconciles the annual distribution revenues of the electric companies to the levels approved in their most recent rate cases. If a company's total revenues fall below the allowed level, customers may see a charge on their bills. Conversely, if revenues exceed the allowed levels, customers receive a credit.

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Q: What are the most recent RAM filings and information related to the tariff increases? Where can I find this information?

The most recent RAM filings by Eversource and UI are docketed before PURA as <u>Docket No. 24-O1-O3</u> and <u>Docket No. 24-O1-O4</u>, respectively. These filings contain detailed information about the components of RAM, the adjustments made, and where to find the associated charges on your monthly electric bill. The filings represent the requests submitted by each utility and undergo a rigorous public review process. PURA and its stakeholders thoroughly vet these requests through discovery questions and evidentiary hearings, ensuring transparency in the rate-making process.

The interim 2 - 1 decisions by PURA, along with a <u>dissenting opinion</u> by Chair Gillett dated April 17, 2024, can be accessed for <u>Eversource</u> and <u>UI</u>. The final decisions are expected to be issued August 14, 2024.

Q: If Public Benefits cost is not new, why did the new tariffs go up so much this year?

The increase in tariffs this year, despite the Public Benefits costs being established previously, results from several factors, including efforts to manage rate volatility, pandemic-related issues, and economic conditions. The current tariff increases are necessary to cover the accumulated costs from these factors, as required by law and detailed in recent RAM decisions.

In this cycle, customers are seeing a rate increase due to an under-collection of revenue, primarily driven by the NBFMCC charge in the Public Benefits portion of the bill, which is largely related to <u>under-collection for the Millstone nuclear power purchase agreement, which was mandated by the General Assembly in 2017.</u>

Q: Are the new Public Benefit rates permanent?

No, these rates are not permanent. The current tariff increases are expected to be resolved by April 30, 2025, covering a 10-month period.

The Revenue Adjustment Mechanism (RAM) is reviewed and adjusted annually, so rates change based on the ongoing assessment and reconciliation process.

Q: Are Public Benefits a flat tax?

No, Public Benefits charges are not a flat tax. They are applied based on energy consumption. Households can reduce these charges by conserving energy.



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Q: What is the total tariff increase for residential customers as determined by RAM and the utilities?

According to recent decisions and rates filed by Eversource and UI:

Eversource: The increase effective July 1, 2024, is approximately 6.8 cents per kWh and 7.2 cents per kWh after Sept. 1. For an average household using 750 kWh per month, this translates to an increase of approximately \$54/month.

United Illuminating (UI): The increase effective July 1, 2024, is about 4.9 cents per kWh and 5.5 cents per kWh after Sept. 1. For an average household using 750 kWh per month, this results in approximately a \$43/month increase.

Q: Where can I find the most relevant source documents related to the tariff increases?

Here are the key documents for Eversource and United Illuminating regarding recent tariff increases:

Eversource:

- Proceeding: Docket No. 24-01-03
- Key Changes to RAM:
 - Interim Decision (April 2024)
 - o Chair Gillett's Dissent (April 2024)
 - Final Decision (August 2024)
- Filing with Rates:
 - o July 1: Motion. Please refer to document Att CLP 24-01-03 Exhibits 3-13.xlsx
 - September 1: <u>Motion</u>
- Current Rates Summary: <u>Connecticut Electric Rates</u> (rates for all rate classes)

United Illuminating (UI):

- Proceeding: Docket No. 24-01-04
- Key Changes to RAM:
 - o Interim Decision (April 2024)
 - o Chair Cillett's Dissent (April 2024)
 - Final Decision (August 2024)
- Filing with Rates
 - July 1: Motion
 - September 1: Motion
- Current Rates and Riders: <u>View Document</u> (rates for all rate classes)



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Q: What is being done by PURA to reduce rates, and how is Grid Modernization benefiting Connecticut?

PURA-lead efforts to reduce electricity rates and modernize the grid are part of a comprehensive strategy to ensure affordable and sustainable energy for Connecticut, while meeting growing demand. Key initiatives and ongoing efforts include but are not limited to:

Rate Reduction Efforts: Information related to recent rate cases and ongoing dockets provides insights into the measures being taken to address electricity rates. Review the following dockets for a detailed view of current efforts:

Eversource Rate Case and UI Rate Case: These documents provide information on recent rate adjustments. Please see these resources for links and details regarding rate cases:

- Rate Cases
- Rate Case Overview

Grid Modernization and Performance-Based Regulation Dockets: Grid modernization and Performance-based regulation efforts are focused on creating a more efficient, resilient, and sustainable electric grid. These initiatives aim to:

- Enhance the reliability and flexibility of the grid.
- Integrate new technologies to meet growing and changing energy demands.
- Support efforts to keep electricity affordable while investing in future grid improvements.

For more information on grid modernization:

- General Overview: Grid Modernization Overview
- Technical and Regulatory Analysis: <u>CAE Unit Grid Modernization</u>
- Performance-Based Rate Making: <u>PURA Press Release</u>

Legislation: The "Take Back Our Grid Act" is a key piece of legislation integral to modern grid development. You can find information on this act <u>here</u>.

Other Video Resources: PURA's video resources offer valuable insights into grid modernization and related topics:

- PURA 101 (including Grid Modernization)
- Take Back Our Grid Overview
- Performance Based Regulation

These resources and initiatives collectively contribute to creating a more modern and efficient energy grid while working to keep electricity rate manageable for all Connecticut residents.

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Q: What else can I do to reduce my rates? Are alternate suppliers still important?

Yes. Alternative suppliers may still be beneficial to informed customers.

To potentially lower your electricity costs, consider the following:

Review Your Supply Portion

Your bill includes a supply portion that is "shoppable," meaning you can choose a third-party electric supplier. This can be a key factor in managing your rates effectively.

Compare with Standard Service Rates

Customers should ensure that they are paying no more than the standard service supply rate.

For the period from July 1 to December 31, 2024:

- Eversource's standard service rate is 8.99 cents per kWh, down from 14.71 cents per kWh in the first half of 2024.
- United Illuminating's standard service rate is 11.91 cents per kWh, down from 17.06 cents per kWh in the first half of 2024.

These rates are set every six months.

Review the press release for additional details on these changes.

Evaluate Competitive Suppliers

A third-party supplier remains a valid option if their rate is lower than the standard service rate. Always aim for the lowest supplier price available, based on the length of contract desired. It important to note how long the "rate" is applicable. It can take up to two meter billing cycles for an alternative supplier to be active.

Regularly Check Supplier Rates

Rates from competitive suppliers may fluctuate, often decreasing in the summer.

Visit EnergizeCT to regularly compare rates.

By staying informed and selecting the best available rate, you can help offset some of the increases and manage your electricity costs more effectively.

Q: Does this increase impact my natural gas rates?

No. it does not.

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Q: Where can I get help paying my bills?

If you're experiencing financial or medical hardship and need assistance with paying your bills, please contact your utility provider directly or visit their website for information on available programs.

If you're struggling to pay your bill, it's crucial to contact your utility provider before you miss a payment. Call Eversource at 1-800-286-2828 or UI at 1-800-722-5584 as soon as possible. Reaching out early gives you more options for assistance.

- Eversource Energy Bill Assistance
- <u>UI Help With Bill</u>

Here are some programs to consider:

- **Financial Hardship Designation**: If your income is below 60% of the state median or you receive government benefits (like SNAP or HUSKY), you may qualify for a financial hardship designation. This can provide access to a Low-Income Discount Rate on your monthly bill and payment arrangements where the utility matches your payment to help reduce your debt.
- **Energy Assistance**: Apply for Energy Assistance from the Department of Social Services (DSS) (Energy Assistance) if you qualify for the financial hardship designation. This program can further reduce your arrears or monthly payments.
- Flexible Payment Arrangements: If you don't qualify for financial hardship but still need help, inquire about flexible payment plans. These arrangements allow you to pay off arrears over a number of months.
- Energy Efficiency Programs: Ask your utility about energy efficiency programs, such as the Home Energy Solutions (HES) program. Participants can get their homes evaluated for energy improvements and may receive rebates and discounts. Income-eligible customers may also qualify for free home energy audits and significant discounts on energy efficiency products through Home Energy Solutions – Income Eligible. More details are available at <u>Energy Evaluation Income-Eligible Details | EnergizeCT</u>

You can also reach out to <u>PURA's Customer Affairs team</u> for guidance on hardship programs and eligibility.

Q: Why can't I speak directly to PURA Commissioners about my complaints?

PURA's <u>Office of Education</u>, <u>Outreach</u>, <u>and Enforcement (EOE)</u> is dedicated to assisting the public with specific account and utility service issues. Due to ex parte rules, which prevent direct interaction between Commissioners and the public on pending matters, Commissioners are unable to engage directly with individuals regarding <u>complaints</u> or issues.

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Q: How can I ensure that my comments are reviewed by PURA Commissioners and other key stakeholders?

To make sure your comments reach PURA Commissioners and are considered in their decision-making process:

- Submit your comments to the specific docket, which will be reviewed by PURA and made available to the public. (e.g. 24-01-03 (Eversource) or 24-01-04 (United Illuminating))
- File a public comment via electronic submission at: Electronic Filing
- Send an email to <u>PURA.ExecutiveSecretary@ct.gov</u> with your comments and include the docket number in the subject line.

For additional information on public participation, visit: Public Participation

Q: How do I look up a docket?

You can search for dockets and access related information here: <u>PURA Dockets</u>

