

# OFFICE OF FISCAL ANALYSIS

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sHB-6724

AN ACT CONCERNING UTILITY CUSTOMER PAYMENT PLANS,  
EXTENDING THE SHUTOFF MORATORIUM FOR HARDSHIP  
CUSTOMERS AND PERMITTING HARDSHIP CUSTOMERS TO  
ENROLL WITH ELECTRIC SUPPLIERS.

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## ***OFA Fiscal Note***

### ***State Impact:***

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Public Utilities Regulatory Authority (PURA)	CC&PUCF - Indeterminate	up to \$1,000,000	up to \$1,000,000

Note: CC&PUCF=Consumer Counsel and Public Utility Control Fund

***Municipal Impact:*** None

### ***Explanation***

The bill authorizes PURA to expend up to \$1,000,000 annually to fund legal assistance to customers. This is provided to allow customers the opportunity to challenge their existing bills and to allow them to apply for existing financial aid. The bill additionally authorizes this expenditure to be collected from utilities in proportion to annual load, services, or revenue as determined by PURA. Whatever the cost of this aid will be, will be offset by equal additional funding to PURA.

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### ***Rate Payer Impact Statement***

The bill will have an indeterminate impact on rates. The primary change within the bill is to extend a hardship customer shutoff moratorium from May 2<sup>nd</sup> of 2023 to October 31<sup>st</sup> of 2023. This will conclude as the existing winter month shut off moratorium comes into effect. Increasing the shutoff moratorium for hardship customers in concert with higher energy prices in 2023 will likely increase the total arrearages for Electric Distribution companies and Gas companies providing heat to customers. While the bill does not specifically state that companies may recover the arrearages forgiven, they have traditionally been able to do so for legitimate business expenses.

Within Electric Distribution Utility Companies arrearages are recovered through the Systems Benefit Charge as a component of the Combined Public Benefit Charge. In 2022, both Eversource and United Illumination reported over collections in SBF relative to expenses and arrearages<sup>1</sup>. Both companies are expected to request rate adjustments in 2023 and more information on how this will impact customers will come in rulings on 01-03-23 and 01-04-23 sometime before May 1<sup>st</sup>, 2023. The documents provided by Eversource show continuing amortization being factored into the rate including under collections being carried forward from the pandemic expecting to be reduced to 17.6 million by the end of 2023 and reduced to zero by April 2024<sup>2</sup>. The extension of the moratorium is likely to see increased amortizations being carried forward in the future, although the amount, and the impact that may have on rates is indeterminate.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future.

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<sup>1</sup> PURA Docket [22-01-03](#) and PURA Docket [22-01-04](#)

<sup>2</sup> [Eversource Interrogatories Response Question 9 Attachment 1.pdf](#)