



STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY

August 24, 2022

In reply, please refer to:

Docket No. 20-03-15

Motion No. 77

Leonard Rodriguez, Esq.
Avangrid Networks, Inc.
180 Marsh Hill Rd.,
Orange, CT 06477

Re: Docket No. 20-03-15 – Emergency Petition of William Tong, Attorney General for the State of Connecticut, for a Proceeding to Establish a State of Emergency Utility Shut-Off Moratorium

Dear Attorney Rodriguez:

On July 1, 2022, the Public Utilities Regulatory Authority (Authority) received a motion (Motion No. 77) from The Connecticut Natural Gas Corporation (CNG), The Southern Connecticut Gas Company (SCG) and The United Illuminating Company (UI) (together, Avangrid, or the Companies) requesting approval of their proposal to resume service terminations for non-payment for residential financial hardship or medically protected customers with a serious illness based on the Authority's ruling to Motion No. 50¹ dated August 24, 2021 (Motion Ruling No. 50), in the above-captioned proceeding. Motion No. 77, p. 1. For the reasons stated herein, Motion No. 77 is denied. However, absent further Authority action and subject to the conditions stated herein, the Authority will permit the Companies to resume service terminations for reasons of non-payment for residential financial hardship or medically protected customers with a serious illness no sooner than **May 2, 2023**.

¹ Motion Ruling No. 50 states, in relevant part:

The Authority directs the EDCs and LDCs to file a motion for the Authority's review and approval no later than 60 days in advance of the effective date on which the LDCs and EDCs propose to resume service termination processes, including customer communications, for financial hardship or medically protected residential customers with a serious illness. Said motion should include the following information: (i) the number of customers proposed to be terminated, (ii) how many of the customers are currently coded for financial hardship or serious illness medical protection, (iii) the low, median, mean and high amounts of the customers' outstanding arrearages, and (iv) how many of the customers were enrolled in and failed to complete an arrearage management program, including but not limited to the Matching Payment Program (MPP), New Start (Eversource), Matching Payment Plan (The United Illuminating Company; UI), or the COVID-19 Payment Program.

Motion Ruling No. 50, pp. 1-2.

I. Avangrid Proposal

The Companies proposed to resume their service termination processes for financial hardship or medically protected residential customers with a serious illness beginning September 2022. Motion No. 77, p. 1. Specifically, the Companies proposed to send a one-time transition letter as a final communication to affected customers “prior to resuming system automated disconnection notices or service termination for non-payment beginning September 1, 2022.” Id., p. 3. Notably, customers with life-threatening or life support medical protection are not included because those customers are protected from service terminations year-round. Id., p. 1.

Upon the resumption of terminations, the Companies explained that their dunning process would begin for hardship customers and medically protected residential customers with a serious illness who have a past due balance over 33 days and are not currently enrolled in an arrearage forgiveness program (AFP) or on a payment arrangement. Id., p. 2. Table 1 below reflects details regarding UI, CNG, and SCG, customers eligible for service termination as of July 1, 2022:

Table 1
Residential Financial Hardship and Medically Protected Customers with a Serious Illness with a Past Due Balance >33 Days

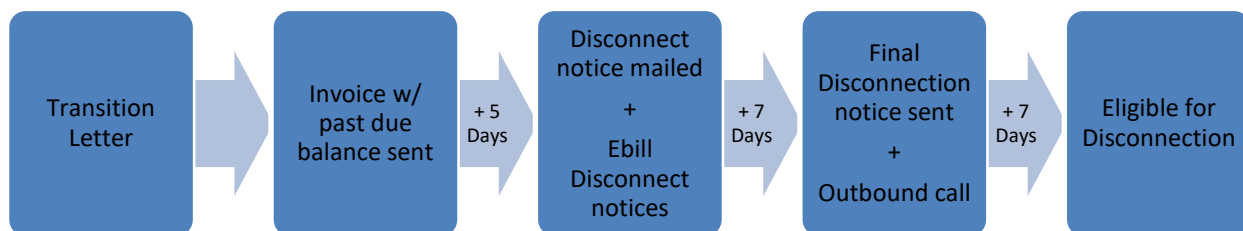
	CNG	SCG	UI
No. of Customers w/ Financial Hardship	105	528	689
Low Arrearage Amount	\$111	\$109	\$176
High Arrearage Amount	\$10,073	\$12,613	\$47,070
Mean Arrearage Amount	\$1,681	\$1,568	\$2,236
Median Arrearage Amount	\$848	\$1,080	\$1,564
No. of Customers w/ Serious Illness Medical Protection	94	163	457
Low Arrearage Amount	\$105	\$100	\$177
High Arrearage Amount	\$36,365	\$35,750	\$99,928
Mean Arrearage Amount	\$4,872	\$3,487	\$8,900
Median Arrearage Amount	\$2,587	\$1,979	\$3,651
Total Customers Eligible for Termination	199	691	1,146
No. of Payment Arrangements Failed to Complete	14	17	534

Id.

Under Avangrid’s proposal, these customers would start to receive dunning notifications five (5) days after their September bill date if their past due balance remains and they are still not enrolled in a payment plan or AFP plan. Id. The Companies stated that throughout the communication process, they will promote available programs for which customers may qualify through a variety of channels, including social media, press release, email, letters, and their websites. Id. The

Companies detailed the steps within their proposed process for resuming service terminations for affected customers, as illustrated in Figure 1. Id., p. 4. Avangrid stated that customers who did not take any action following the final disconnection notice and outbound call received would be eligible for disconnection. Id., p. 3. The Companies noted that the actual volume of disconnection would be determined based on their operational capabilities. Id.

Figure 1
Avangrid's Proposed Service Termination Process



Id.; See also Attachment 1 (Transition Letter); Attachment 2 (Disconnect Notice); Attachment 3 (Final Notice); and Attachment 4 (Script for Outbound Calls).

II. Stakeholder Comments

1. Operation Fuel Inc.

On July 21, 2022, Operation Fuel Inc. (Operation Fuel) filed an objection in response to Motion No. 77 expressing concerns with the Companies' request to resume service terminations for financial hardship or medically protected residential customers with a serious illness. Specifically, Operation Fuel took exception to the communication letters the Companies proposed to distribute to customers eligible for disconnection. Operation Fuel Comments dated July 21, 2022, pp.1-7. Operation Fuel suggested that the messages regarding the customer's account status and the available options should be clearer and simpler to understand. Id., p. 2. Operation Fuel also claimed that the Companies have not changed their messaging since 2019, and the Companies' proposed written communications do not reflect the current protections or any lessons learned through the present docket or Docket No. 21-07-01, Application of the Connecticut Light and Power Company and Yankee Gas Services Company, The United Illuminating Company, Connecticut Natural Gas Corporation, and The Southern Connecticut Gas Company for Approval of Arrearage Forgiveness Program 2021-2022 (Arrearage Forgiveness Docket), to identify what is more likely to impact customer protection and engagement. Id., p. 1.

First, Operation Fuel recommended that the Companies develop communications specifically to help the affected customers (i.e., separate

communications campaigns for residential financial hardship, serious illness protection, and commercial customers) as the best way to influence financially struggling customers. Id., p. 2. Operation Fuel suggested that the Companies make the following revisions to the transition letter UI affixed as Attachment 1 to Motion No. 77: include the time period of protection, when the protection expires, the payment amount for service continuity, and contact information for resources to extend protection. Id. Further, for serious illness protection customers, Operation Fuel stated the letters should provide sufficient time for the customer to see a doctor to confirm and/or recertify their protection. Id., p. 3. Also, Operation Fuel recommended that the letter should indicate that the customer is eligible for winter protection during the Winter Moratorium. Id.

As for financial hardship customers, Operation Fuel asserted that letters should include the past due balance at the top of the letter along with the customer's name, address, and account number. Id. Operation Fuel also recommended that customers with the highest arrearage and lowest income should have different communications that would encourage them to take action to avoid disconnection. Id. In addition, Operation Fuel highlighted the reference to the message regarding the customer renegotiating their payment amount should be revised to match Section 16-3-100(b)(3)(A) of the Regulations of Connecticut State Agencies (Conn. Agencies Regs.),² noting consistent messaging regarding customers' rights should be included in all of the communications. Id. In addition, Operation Fuel recommended replacing the message regarding "protection against scams" with energy assistance, and to include contact information for 211 and the link to Operation Fuel aid www.operationfuel.org/gethelp, for clarity that should encourage customers to act. Id.

Second, Operation Fuel recommended revision to the disconnection notices, affixed to Motion No. 77 Attachment 2. Id., p. 4. Operation Fuel expressed that the Companies align the shut-off dates with a customer's bill due date, which would aid the customer in better understanding their bills. Id. Although the disconnection notices indicate the customer may qualify for energy assistance, Operation Fuel stated that it should also include the guidelines the customer might use to determine if they qualify for such assistance, as well as the contact information or details for how to access through Operation Fuel, a fuel bank, or their local community action agency. Id.

Third, regarding the Companies' final notice affixed to Motion No. 77 as Attachment 3, Operation Fuel suggested that the Companies include the disconnection date, as well as the dates the previous notices were sent. Id., pp. 5-6. However, if the Companies cannot use the exact dates, Operation Fuel recommended including the period between the communications (i.e., "two weeks ago, the company sent a notice...."). Id., p. 6. To encourage customer engagement, Operation Fuel opined that the Companies should use phrases such as "please call us," or "we will help you negotiate an affordable payment" instead of "you can prevent," "you must act," and "all

² Conn. Agencies Regs. § 16-3-100(b)(3)(A) states, in relevant part, that no utility company shall terminate gas or electric service for a residential customer whose is subject to termination for a delinquent amount until the customer is offered an opportunity to enter in a reasonable amortization agreement.

customers,” which place the burden solely on the customer to act, rather than the Companies providing assistance. Id. Operation Fuel also noted that the Companies highlighted that the terms for a commercial customer were included for payment arrangements, but that these notices are only for a subset of residential customers. Id.

Finally, Operation Fuel commented that the outbound calls script affixed to Motion No. 77 as Attachment 4 does not provide “sufficient detail or recourse for the customer to take action and avoid shutoff.” Id.

2. The Center for Children’s Advocacy and Connecticut Legal Rights Project, Inc. (together, the Advocates)

The Advocates shared similar concerns as Operation Fuel regarding the Companies’ communication materials and noted deficiencies within each of the Companies’ attachments. Advocates’ Comments dated July 22, 2022, pp. 1-7. Also, the Advocates noted the proposed timeline to resume residential hardship disconnections is just before the 2022-2023 Winter Moratorium and the Companies did not provide any justification as to why these customers should have their service terminated at this time. Id. The Advocates opined that there is a “disconnect between PURA directives and how the Companies communicate with vulnerable customers regarding available programs and protections.” Id., p. 1.

The Advocates also recommended that the transition letter be tailored to existing financial hardship customers or medical protection customers. Id., p. 4. The Advocates argued further that the proposed draft is likely to cause confusion because it encourages the customer to seek payment arrangement or medical protection. Id. Moreover, it asserted that the Companies should inform customers that they can seek a new payment arrangement if their circumstances change, and customers should know they have an option to appeal any payment arrangement with a Review Officer. Id., pp. 4-5. Lastly, the Advocates stated that all termination materials should clearly state that a customer must maintain their payment arrangement to retain their service. Id., p. 5.

The Advocates also indicated that the disconnection notices contained in Motion No. 77, Attachment 2, have similar issues to those identified in the transition letter. Id. Also, the Advocates highlighted that the UI version does not explain its Bill Forgiveness Program and none of the Companies included information on the Matching Payment Program (MPP). Id. Further, the disconnection notices do not clearly explain the Review Officer Process as directed in the Authority’s Interim Decision dated October 13, 2021 in the Arrearage Forgiveness Decision (AFP Interim Decision). Id.; See also, AFP Interim Decision, p. 19. The Advocates also commented that the Companies mentioned that customers may renegotiate their flexible payment arrangement, but do not mention the ability to renegotiate other unaffordable payment arrangements or an opportunity to appeal to a Review Officer. Advocates’ Comments dated July 22, 2022, p. 5.

As for the outbound call script provided in Motion No. 77, Attachment 4, the Advocates asserted that it implies that the customer has no other available options to

avoid disconnection. Id., p. 5. The Advocates argued that the current message could deliberately steer customers towards an unaffordable payment arrangement and the least advantageous option to them. Id.

The Advocates also urged that until the termination materials are substantially revised for readability and accuracy, terminations should not proceed. Id. Finally, the Advocates proffered that an appropriate measurement for readability is the Flesch-Kincaid Grade Level, which classifies readability equivalent to the US grade level of education. Id., pp. 5-6. Using that benchmark, the Advocates noted that the language in all of the above-mentioned materials is too complicated and ensures that some recipients will not understand it. Id.

3. The Office of Consumer Counsel (OCC)

The OCC agreed with comments from the Advocates that there is a disconnect between the Companies' proposed materials and PURA directives. OCC Comments dated July 28, 2022, p. 1. The OCC recommended that the resumption of service disconnections for hardship residential customers and customers with serious illness protection should only be considered if the Companies meet one or more of OCC's suggested conditions. Id. The OCC acknowledged that customers are motivated to act and enroll in a payment arrangement when they receive a disconnection notice, and the customer can establish a reasonable payment plan amount through the benefit of direct verbal communications. Id., pp. 1-2. Therefore, the OCC suggested that the Companies fulfill at least one of the following conditions before service terminations begin:

- **Final Notification and Outreach:** The Companies should send communication to each customer eligible to receive a disconnection notice, in the form of a final notice advising that the company will be resuming termination activity. OCC emphasized that the notice should provide clear, concise, and accurate information regarding all payment plan options available in an effort to help motivate the customer to establish a reasonable payment arrangement based on that customer's ability to pay, and the Companies should be required to conduct follow-up by phone alerting customers of impending disconnection and the ability to call to discuss all available payment options with customers.
- **Data Sharing:** The Companies may resume termination processes only after data sharing has commenced with the Department of Social Services or the Companies have utilized income data approved by the Authority to evaluate customers for hardship, thereby ensuring the greatest number of hardship eligible customers are identified and provided the final notification and outreach outlined above. The OCC stated that this would ensure that customers are able to access appropriate payment plans, including the matching payment and below budget payment plans afforded to hardship customers, prior to termination of service.

Id., p. 2.

Further, OCC stated that the Authority should consider the Companies' proposed timing to begin disconnections, which is proposed to commence immediately before the Winter Moratorium beginning in November, which may not be cost-effective. Id.

III. Authority Analysis

The Authority is concerned both with the timing of the Companies' motion, as well as with the issues regarding the Companies' proposed customer communications documented by the OCC, the Advocates, and Operation Fuel. First, the Companies proposed to resume service terminations in September, just two months prior to the start of the upcoming Winter Moratorium, which commences on November 1, 2022, pursuant to Conn. Gen. Stat. § 16-262c (b)(1). This timeline is illogical as it does not provide adequate time for the Companies to inform affected customers of the end of the moratorium on service disconnections for reasons of nonpayment while simultaneously ensuring that such customers are enrolled in applicable payment plans to avoid the imminent service termination. Furthermore, the Companies' proposal apparently leaves little time for service terminations to actually occur before the Winter Moratorium, when the affected customers may subsequently be eligible for shut-off protection.³ As a result, the Companies would have to re-engage the process set forth in Motion No. 77 at the expiration of the Winter Moratorium. Therefore, such a schedule strikes the Authority as a poor use of the Companies' resources and thus ratepayer dollars, as alluded to by the OCC. On balance, there is a compelling public benefit for residential hardship customers to maintain service from now until the end of the 2022-2023 Winter Moratorium, rather than to have their access to power and heat potentially interrupted for only a brief period of time given that Conn. Gen. Stat. § 16-262c explicitly prohibits an EDC from refusing to reinstate residential electric service in hardship cases between November 1 and May 1, regardless of their ability to pay.

The Authority also highlights that it issued the Motion No. 50 Ruling in the above-referenced docket on August 21, 2021, meaning that the Companies have been aware for nearly a year that they would need to file a motion at least 60 days before the resumption of residential hardship customer service terminations. Nevertheless, the Companies delayed filing such a motion for over ten months. The Authority, pursuant to Conn. Gen. Stat. §16-19e, is statutorily charged with ensuring the prudent and efficient management of the Companies. As such, the Authority may consider whether the Companies' delay in filing the present motion is indicative of inefficient and imprudent management and, if so, what the ramifications might be for the Companies when they seek to recover their costs associated with the shut-off moratorium.

Finally, the Authority also expresses its concerns with the Companies' proposed customer communications submitted with Motion No. 77. In particular, as noted by Operation Fuel, the Advocates, and OCC, the Companies' customer communications:

³ Currently, eligible customers are required to reaffirm eligibility for financial hardship annually, and serious illness protection by the period indicated by a physician, and at least annually.

(1) provide boilerplate information to residential customers without any regard to their specific situation as a financial hardship or medical protection customer; (2) do not consistently explain the Companies' Bill Forgiveness Program, Matching Payment Program, or flexible payment arrangement offerings; and (3) do not clearly explain the Review Officer Process afforded to customers, contrary to previous Authority Direction in Docket No. 21-07-01 and other relevant proceedings.

Based on the foregoing, the Authority denies Motion No. 77. Notwithstanding, absent further Authority action, service terminations for reasons of non-payment may resume for residential financial hardship and medically protected customers with a serious illness no sooner than **May 2, 2023**.

In the interim, the Authority directs the Companies to create a comprehensive communications plan that addresses the concerns summarized herein to appropriately notify affected residential hardship customers that service terminations for reasons of non-payment may resume on or after May 2, 2023, and to ensure customers are afforded sufficient notice to enroll in one of the payment arrangement offerings to avoid service termination. The communications plan shall be filed with the Authority as compliance in the present docket no later than **4:00 p.m. on Wednesday, February 1, 2023**. As part of this compliance, the Companies shall first consult with the Authority's Office of Education, Outreach, and Enforcement, OCC, Operation Fuel, and the Advocates to develop its communications plan. Furthermore, the Companies shall obtain a letter, to be filed contemporaneously with its communications plan, from each of the aforementioned docket Participants attesting to the fact that each Participant received ample time to provide input prior to the Companies' communications plan filing deadline on February 1, 2023.

Sincerely,

PUBLIC UTILITIES REGULATORY AUTHORITY

A handwritten signature in black ink, appearing to read 'Jeffrey R. Gaudiosi', is written over a light blue horizontal line.

Jeffrey R. Gaudiosi, Esq.
Executive Secretary

cc: Service List