



Docket No. 24-05-01 Annual Review of Affordability Programs and Offerings (Energy Affordability Annual Review)

Submitted by Mike Turaj, Policy & Public Affairs Associate

I. Background:

Operation Fuel appreciates the opportunity to file written comments in response to the Public Utilities Regulatory Authority's (PURA's or the Authority's) Notice of Request For Written Comments issued on July 31, 2024 in Docket No. 24-05-01 Annual Review of Affordability Programs and Offerings (Energy Affordability Annual Review).

II. Comments:

- 1. Refer to the below prompt and provide any recommendations or comments thereto. If an alternative is suggested, provide specific and detailed implementation guidelines for the respondent's proposal. The Authority envisions an Affordability Customer Communications Working Group (Affordability Communications Working Group) co-chaired by identified representatives of the Companies. The Affordability Communications Working Group would develop a charter, to be housed alongside of other materials in a specified PURA docket, and observe the following general guidelines: A. Logistics and Materials. B. Voice of Customer. C. Approval and Use of Materials:*

Operation Fuel supports the Authority's proposal for an Affordability Customer Communications Working Group. As discussed at the proceeding's first technical meeting on July 16, 2024, effective customer communication is vital. Ensuring customers, especially those most vulnerable, have access and clarity to programs and materials, could help them manage monthly payments and avoid service termination. During the discussion, we suggested that the context of these meeting presentations should be broken down into smaller parts, limiting the amount of time stakeholders spend reviewing dense materials.¹ Operation Fuel believes that the Authority's recommendation is a productive approach and we look forward to contributing the best we can through the new process.

Operation Fuel offers two recommendations to the Authority regarding this working group. First, the Companies should continue working to "alter their communications to reflect a greater customer centric approach,"² as discussed in the Track 4 Final Report from PRO in 17-12-

¹ https://www.youtube.com/watch?v=86a1YdrN_CU Time Stamp: 4:48:32-4:50:55

² [https://www.dpuc.state.ct.us/2nddockcurr.nsf/8e6fc37a54110e3e852576190052b64d/3447c67f613085748525875200799078/\\$FILE/Pro%20Track%204%20Report%20Final.pdf](https://www.dpuc.state.ct.us/2nddockcurr.nsf/8e6fc37a54110e3e852576190052b64d/3447c67f613085748525875200799078/$FILE/Pro%20Track%204%20Report%20Final.pdf)



03RE01. We recognize the need for regular improvements in writing style and reading level, to focus more on the voice of the customer. This holistic approach to customer communications would benefit from the perspective of the National Consumer Law Center (NCLC), who specialize in developing reports focused on low-income customers.

Second, Operation Fuel recommends this working group invite advocates from the Community Action Agencies (CAAs), CT Department of Social Services (DSS) and other social service agencies. These agencies interact with utility customers regularly, including their recommendations on customer materials would be an asset. Stakeholders who are not actively following this docket yet work in energy advocacy, could offer additional insight. This inclusion could increase future participation from stakeholders, as knowledge of customer communication materials is easier to follow than other proceedings.

We look forward to the collaborative working group and thank the Authority for offering these guidelines.

2. *Provide comments on the Wage Garnishment Working Group Report and the recommendations made regarding the Companies' collections practices. Describe why, or why not, such recommendations should be implemented.*

Operation Fuel appreciates the Office of the Consumer Counsel (OCC) for convening the working group, hearing stakeholder input and developing the report in Docket No. 22-03-16RE02. We believe that OCC's recommendations for a modified total prohibition of wage garnishment help protect Connecticut's most vulnerable population and are a welcome evolution from past punitive approaches.

The Companies maintain that a successful wage garnishment is defined "as payments received that can reduce aged receivables."³ Yet, the EDC cost benefit analysis, simplified to dollars and cents return on investment, fail to recognize the collateral damage inflicted on garnished households. OCC's report references Eversource's presentation of a heat map demonstrating municipalities where garnishment was concentrated - Waterbury, Hartford, Meriden and East Hartford.⁴ Coincidentally, as our 2023 Affordability Study shows, these municipalities face the most unaffordable home energy costs, spending far greater than the 6% affordability threshold.⁵

³[https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/056ec7d62385e0a485258b4900649eb4/\\$FILE/Appendix%201__Attachments%20A-E%20&%20J-N.pdf](https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/056ec7d62385e0a485258b4900649eb4/$FILE/Appendix%201__Attachments%20A-E%20&%20J-N.pdf) Attachment E

⁴[https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/056ec7d62385e0a485258b4900649eb4/\\$FILE/Appendix%201__Attachments%20A-E%20&%20J-N.pdf](https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/056ec7d62385e0a485258b4900649eb4/$FILE/Appendix%201__Attachments%20A-E%20&%20J-N.pdf) Attachment E, p. 4

⁵ <https://operationfuel.org/veicmap/>



This indicates that the people most subject to wage garnishment are already facing unaffordable energy burdens – which will get worse when court rulings reduce their income further.

OCC’s report echoes and elaborates on our concerns⁶ that wage garnishment disproportionately targets the most vulnerable households, who already experience utility debt and social impacts of energy burden. OCC also points out that despite the long-term, harmful impacts it imposes on low-income CT residents, wage garnishment does not meaningfully increase company collections. By continuing to permit company-led, unregulated wage garnishment, the Authority would cause more harm to vulnerable families, without meaningfully addressing the collections issue for which they are attempting to solve.

Avangrid reported 740 accounts subjected to wage garnishment since January 2016.⁷ For Eversource, on average 100 accounts were wage garnished annually between 2016-2019.⁸ While the Companies believe this number is minimal, these are real people in financial crisis. Wage garnishment hinders hundreds of households both financially and socially, a factor well-articulated by OCC during this docket’s second technical meeting on August 15, 2024. When responding to the Authority’s question comparing wage garnishment to medically protected customers OCC Attorney Wiehl stated, “We just have to be careful not to use too blunt of an instrument to close those gaps, to close those loopholes at the risk of hurting people who shouldn’t be closed out” additionally, “we can’t have a system that risks one person dying as a result of the restrictions we put in place to prevent gaming the system” and “similarly for wage garnishment, we don’t want a system where it’s possible to send one person into an inescapable kind of spiral of debt and poverty to make it even more impossible for that person to pay their bills.”⁹

Ultimately, OCC recommends a “modified model of a total prohibition, wherein wage garnishment is prohibited as a general practice, but utilities could proactively seek authorization to request a wage execution in scenarios where they are able to demonstrate that wage garnishment would not impose undue burden upon the customer due to sufficient income and/or assets.”¹⁰ OCC also proposed protecting our most vulnerable residents from wage garnishment. We recommend the threshold of 75% SMI, as discussed in the technical meeting on August 15th. This aligns with Operation Fuel’s income eligibility guidelines, which would enable the

⁶ Docket No. [22-03-16](#) and in Attachments B and J of the [working group \(RE02\)](#)

⁷[https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/056ec7d62385e0a485258b4900649eb4/\\$FILE/Appendix%201__Attachments%20A-E%20&%20J-N.pdf](https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/056ec7d62385e0a485258b4900649eb4/$FILE/Appendix%201__Attachments%20A-E%20&%20J-N.pdf) Attachment D

⁸[https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/056ec7d62385e0a485258b4900649eb4/\\$FILE/Appendix%201__Attachments%20A-E%20&%20J-N.pdf](https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/056ec7d62385e0a485258b4900649eb4/$FILE/Appendix%201__Attachments%20A-E%20&%20J-N.pdf) Attachment C

⁹ <https://www.youtube.com/watch?v=wJogELAM8WA> Time Stamp: 49:03-49:44

¹⁰[https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/056ec7d62385e0a485258b4900649eb4/\\$FILE/OCC%20Wage%20Garnishment%20Working%20Group%20Report.pdf](https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/056ec7d62385e0a485258b4900649eb4/$FILE/OCC%20Wage%20Garnishment%20Working%20Group%20Report.pdf)



Companies to protect these client accounts upon receiving an award letter from us. We agree with OCC's recommendation to put the burden for collection and garnishment on the Companies, through PURA's direct knowledge and approval, rather than initiating these through third party legal firms that consider only their direct financial incentives.

Further, Operation Fuel is optimistic that the Authority's proposal regarding the Affordability Communications Working Group review of communication materials will improve the effectiveness and clarity of programs offered, reducing the need for wage garnishment.

- 3. Refer to Slide 10 of the Companies' Joint Presentation dated July 11, 2024, in the instant proceeding. Provide comments on the Companies' arrears mitigation proposals. If alternative proposals exist regarding the collections practices for residential financial hardship customers, residential non-hardship customers, or non-residential customers, provide specific recommendations by customer type.*

Operation Fuel remains concerned that the Companies' current proposals do not yet fully address the needs of low-income ratepayers and CT residents who continue struggling to afford their electricity costs. Operation Fuel appreciates the Companies' recognition that past due balances have significantly increased since 2019. However, the "old ways of doing business" were not working well for low-income ratepayers in 2019 either. Service terminations doubled in just four years between 2014-18, leading to the focus on affordability and 100-day sprints initiated in 2019 through the Grid Modernization Docket No. 17-12-03RE01.

In both the Companies Joint Presentation (July 11, 2024) and their Joint Attachment 02 in Motion No. 7, they proposal numerous methods:

Payment Required- to Avoid Shut Off:

The Companies propose to return by asking customers "how much can you pay every month,"¹¹ instead of immediately offering the lowest monthly payment plan available. This conversation can be intimidating for financially stressed ratepayers, whose payment is already too high. **Realistically, how many customers could afford to pay more?** Utility prices have gone up, yet wages have not. The Companies should continue to offer the lowest monthly payment plan amount available first.

Along with that, the Companies propose requiring a down payment of at least 20% with their payment plan on their first chance (instead of the lower of 5% or \$25 required that

¹¹<https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/175da497ce86568e85258b57006d66da?OpenDocument>



day) and on the second chance requiring a down payment of at least 50% (instead of the lower of 5% or \$25 required that day). However, many census tracts across Connecticut are well above 6% of the affordability threshold. This proposal would only exacerbate the ratepayer's inability to keep up with their monthly payments. If the Companies want **15% more** of a down payment on the first chance and **45% more** on the second chance- what percentage of customers could realistically afford that dramatic increase?

Payment Required- to Reconnect (for non-hardship residential):

The Companies propose that non-hardship residential customers make a minimum payment of at least 75% and can negotiate down to a minimum of 50% of past due balance, rather than the lower of 50% or \$1,000 required that day. If this proposal were to be implemented, Operation Fuel would be concerned about the customers who are making only marginally more than what is considered hardship. The Companies' conclusion that because a customer is not coded hardship, they have the means to pay any amount, is not a reliable conclusion. What about the thousands of customers who are not correctly coded? **Seeking re-instatement of service should not be a struggle for any ratepayer.**

When negotiating payment amounts, in particular for reconnecting electricity service, it's important to recognize that the investor-owned utility, regulated monopoly, publicly traded companies, have asymmetric bargaining power when compared to a low-income CT resident who is struggling to afford both rent and energy in the same month. In most cases, the individual lacks the information (including regulatory law) that the company knows. In every case, the individual lacks financial resources the company enjoys. Therefore, we believe it is important that PURA establish fair practices and payment plan policies to give the customer a chance at a reasonable payment arrangement, with full transparency.

Payment Plan- Missed Payments to Fail:

This proposal would allow customers one missed payment (instead of two consecutive) before the Companies remove them from their agreed payment plan. The customer could then re-enroll onto the payment arrangement after making up their missing payments. For many low-income customers, it's unrealistic for them to make up missed payments all at once. What would the mechanism be for a customer – especially one on a fixed income - who can't pay their bill one month, to then be able to pay it twice the following month? Allowing customers to re-enroll by making even partial payments, would help mitigate arrearages while also bringing down the Companies' collection costs.



The Companies' new proposals do not show how these will bring down uncollectibles, reduce collection costs, or provide more affordable bills for ratepayers.

4. *Refer to PRO Sprint Track 3 Report– Medical Hardship, dated July 10, 2020, in Docket No. 17-12-03RE01, PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Energy Affordability (PRO Track 3 Report). Discuss whether there are recommendations in the PRO Track 3 Report that have not been implemented to-date that the respondent supports implementation or further consideration of with respect to medically protected customers.*

PRO Track 3 Report cites that 89% of Eversource and 88% of UI customers have hardship protection based on a “life-threatening situation.”¹² This percentage of customers includes those who are gravely ill, in many cases people who are dying.

In order to provide more comprehensive feedback, stakeholders need to understand if the data has gotten worse, including but not limited to more people behind on debt, how large is the debt, and what the Companies are doing to help medical protected customers, instead of threatening shutoffs. To assess whether PRO's Track 3 recommendations were or should be implemented, new data is critical. By every measure we can tell, debt related to medical protection has skyrocketed in the past 4 years. Therefore, it seems that the Companies have not adequately followed up on PRO's recommendations to ensure all eligible customers participate in financial hardship benefits; that affordable payment plans be available to all customers regardless of financial status; and that the companies implement targeted collection efforts for this customer class.

PRO Track 3 Report Recommendations:

A. Ensure All Eligible Customers Participate in Financial Hardship Benefits

While “serious illness” designation protects a customer's service from termination during the winter protection period, and “life-threatening situation” does the same for the next 12 months, neither code in itself provides a payment arrangement to the customer. As such, many utility customers are not properly coded for hardship and are not provided with the information necessary for them to enroll in hardship programs. Operation Fuel agrees that eligible customers should participate in benefits, it hinges on effective communication from the Companies. We note the dramatic increase in requests for energy assistance across the state of CT, leading to over 100,000 ratepayers annually receiving CT Energy Assistance Program (CEAP) and Operation

¹²[https://www.dpuc.state.ct.us/2nddockcurr.nsf/8e6fc37a54110e3e852576190052b64d/f79b05dfa04329128525875200798ef5/\\$FILE/Pro%20Track%203%20Report%20final.pdf](https://www.dpuc.state.ct.us/2nddockcurr.nsf/8e6fc37a54110e3e852576190052b64d/f79b05dfa04329128525875200798ef5/$FILE/Pro%20Track%203%20Report%20final.pdf)



Fuel grants. Given the increase in uncollectibles since 2020, it seems clear that the Companies can do more to ensure their clients are coded appropriately for available benefits.

B. Enroll All Medical Hardship Protection Customers in Reasonable Payment Arrangements

Operation Fuel believes that **all** medically protected customers, should be properly enrolled on the best payment plan for them. In the Track 3 Report, the Companies indicated the “unwillingness of customers to enter into payment arrangements when offered.” However, what is reasonable for one customer may not be to another. There needs to be recognition that each customer’s financial situation is different. Moreover, have the Companies tried a modified approach when encountering resistance? What have they learned to improve the uptake of payment arrangements and enrollments over time? How have they acted on their findings? Instead of proposing new ideas, the Companies want to return to pre-pandemic collections practices, which did not work then. We agree with the PRO recommendations that the Companies should proactively contact the customer, and work with them 1-on-1 to determine how best to achieve this. The customer has to believe the company has their best interest at heart and is offering them the best plan for their situation, to trust and enroll them in available programs.

C. Implement Targeted Collection Efforts

In the Track 3 Report, the Companies refer to customers believing medical protections are essentially a “no payment plan.” While the Companies are within their rights as creditors to seek payment for medically protected customers, we question why the Companies think that medically protected customers are financially flush customers, given roughly 90% from both Companies are in a “life-threatening situation”? Operation Fuel continues to oppose PRO recommendations that would allow the Companies to pursue efforts that include “reporting non-payment of current medical hardship customers to credit agencies.” Operation Fuel is concerned that this would only have disproportionate effects on low-income customers. In addition to the harm imposed on customers through credit reporting for utility debt, we don’t expect it to be effective. If a customer is on their death bed, why would they be concerned about having bad credit?

III. Conclusion:

Operation Fuel appreciates the opportunity to comment on ensuring effective customer communications and protecting Connecticut ratepayers from harmful collection practices. We believe that the Authority’s proposal for an Affordability Communications Working Group will bring much needed improvement in ensuring companies are effectively reaching out to their entire customer base, with stakeholder input for materials that offer clarity and insight into

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Operation Fuel Set #3 Written Comments

August 21, 2024



programs offered. We appreciate OCC's Wage Garnishment Report, which recommends a modified total prohibition of wage garnishment and close supervision by PURA. We also agree with OCC's recommendation that ratepayers earning 75% SMI and below should be protected against wage garnishment. Finally, we are concerned at the growth in uncollectibles since the Track 3 Medical Protection report came out in the summer of 2020. We believe the Companies can do more to implement the report's recommendations to ensure financial hardship customers are coded correctly; provide affordable payment plans for all customers; and to segment customer groups to reach them and meet their specific needs, most effectively.

We want to thank the Authority for the consideration of our comments and for the support of ratepayers across Connecticut.

Sincerely,

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