



## **Regulators Settle \$3 Million Case, as Energy Customers Accumulate Hundreds of Millions More Debt**

*By Brendan Crowley*

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As many of Connecticut's lowest-income residents face utility shut-offs for the first time since 2019, advocates for the poor say they hope a \$3 million settlement between regulators and one of the state's largest utilities will ensure that every available protection will be offered to poor customers who have collectively piled up tens of millions of dollars in unpaid bills.

The settlement underscores concerns about how Connecticut residents will pay for the mountain of unpaid utility bills they've accumulated — nearly \$220 million of uncollectible debt by United Illuminated customers alone — over the last two years.

Avangrid — the parent company of United Illuminating, Southern Connecticut Gas and Connecticut Natural Gas — agreed to pay \$3 million to resolve claims by regulators that the companies weren't properly screening customers to see whether they qualified for a hardship dispensation.

That [designation](#) protects people with low incomes or who receive government assistance from having their utilities shut off from October through April. It also allows those customers to enroll in special payment plans, which protects customers from shut-offs as long as they are up-to-date with a payment plan.

The settlement resolves issues that PURA's Office of Education, Outreach and Enforcement found after reviewing one day's worth of recorded calls between customers and the companies' customer service representatives in October 2021 — calls that regulators say "fell short of expectations" and didn't necessarily guide customers to the best programs available.

Center for Children's Advocacy attorney Bonnie Roswig told CT Examiner that she's been concerned that customers who are eligible for "hardship" protections are not being given those protections because customer service representatives for the companies aren't following the proper procedures.

"One of the continuing concerns I have on my end is that customers aren't being given the correct information," Roswig said. "I know that because I get calls from very low-income clients saying, 'They're gonna shut my lights off,' or, 'I don't understand what they were saying,' or I would call the client and the customer service rep is not giving the correct information."

The regulators didn't outline the alleged violations they found in that round of calls that led to the \$3 million settlement, but a filing from the Center for Children's Advocacy claims that the companies' responses to EOE questioning showed "a continued and profound level of non-compliance" with PURA.

The Avangrid companies admitted to regulators that they failed to screen customers to see if they were eligible for hardship protections in 48 separate instances, the [center said](#) in its filing.

There were also several instances where an eligible customer was not automatically enrolled in a [Matching Payment Program](#) plan – which allows customers receiving government assistance to pay monthly installments as low as \$50 a month, while the utility matches every dollar towards paying down their unpaid balance, the center said.

According to the center, the companies also acknowledged 87 instances when their representatives gave incorrect information or information in the wrong sequence – and that they gave those representatives additional training – but the companies did not say whether they reached out to customers to clarify any inaccurate information.

Roswig said that ensuring that people who qualify for hardship protections and payment plans get them is a “win-win,” because customers who don’t have hardship protections are better off when very poor people pay something – even \$50 a month – towards their bills, rather than pay nothing.

“No one is advocating for families to pay nothing, but if they can’t afford their payments, and they pay nothing, that doesn’t help anyone,” Roswig said. “It doesn’t help the rest of the ratepayers who have to make up those back payments, and it doesn’t help the family, because then they’re in crisis all the time, and they’re sitting in the cold and dark.”

#### **Poor Customers Accumulate Millions in Debt to Utilities**

According to the [settlement agreement](#), Avangrid will use \$2.7 million to pay the unpaid balances of about 5,200 low-income United Illuminating customers who owe as much as \$750, and about 5,000 gas customers with unpaid balances as much as about \$500.

The remaining \$300,000 will be split between Operation Fuel, the Center for Children’s Advocacy and Connecticut Legal Services to fund outreach and education programs aimed at informing Connecticut residents with very low incomes about hardship protections.

Compared to last year, when regulators hit the Avangrid companies with a [series of much smaller fines](#) over the same hardship protections, the deal amounts to a significant step-up in enforcement.

A spokesperson with PURA’s Office of Education, Outreach and Enforcement said that putting \$2.7 million in fines towards the unpaid bills of hardship customers was meant to help customers facing shut-offs for the first time since October 2019 after [seasonal protections](#) ended on May 1.

Between the seasonal protections and the COVID-driven moratorium on utility shutoffs, hardship customers haven’t faced consequences for unpaid bills for more than two years, and many have racked up [significant unpaid balances](#), according to the office.

Since September 2021, United Illuminating customers who haven’t qualified for hardship status have collectively paid off \$18.9 million worth of bills that were overdue by two or more months. But customers with hardship status – who have been protected from shut-offs – have collectively increased the debt owed by \$13.7 million.

Customers who aren’t enrolled in a payment plan, or aren’t keeping up with their payments, could face utility shutoffs.

But once enrolled in a plan, the EOE warns, customers may be forced to choose between hardship protections, and employment which forces them into paying off massive arrearages.

The situation has “dire social and economic ramifications” for those customers – but also for every other customer who would see the uncollectible debt [added on to their own bills](#), according to EOE.

Putting the \$2.7 million toward the balances of hardship customers limits that risk, EOE said – but the scale of unpaid balances is much larger.

Avangrid reported to PURA last week that the company has about 130,000 accounts for gas service collectively owing nearly \$90 million that are considered uncollectible. And there are 202,429 United Illuminating electric accounts considered uncollectible, owing a total of \$216.9 million.

Roswig said she was thankful that PURA was paying close attention to the issue, and said she’s optimistic that the settlement will make it clear to Avangrid how important it is to get accurate and necessary information to struggling Connecticut residents.

“We respect that it continues to be PURA’s objective that no Connecticut residents have their service terminated,” Roswig said.

In a statement, Avangrid said it worked cooperatively with regulators, especially EOE, to reach a settlement that benefits its customers by paying down arrearage balances of its most vulnerable customers. The company urged any customers who want more information on what options are available to them to visit the United Illuminating [website](#) or call 1-800-722-5584.