

Via Electronic Filing

September 4, 2020

Jeffrey R. Gaudiosi, Esq.
Executive Secretary
Public Utilities Regulatory Authority
10 Franklin Square
New Britain, CT 06051

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 Mr. Gaudiosi:

Provided herewith please find Retail Energy Supply Association's Motion for Reconsideration of Reporting Requirements re Electric Supplier Information in connection with the above-referenced matter.

I certify that a copy hereof has been sent to all participants of record as reflected on the Public Utilities Regulatory Authority's ("PURA's") service list. In accordance with PURA's instructions, I am filing "only an electronic copy through the PURA Web Filing System."¹

Please do not hesitate to contact me if you have any questions. Thank you.

Sincerely,



Brian E. Calabrese

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Attachment

¹ See Fifth Ruling on Temporarily Suspending Filing Paper Copies (Jun. 19, 2020).

STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY

EMERGENCY PETITION OF WILLIAM : DOCKET NO. 20-03-15
TONG, ATTORNEY GENERAL FOR THE :
STATE OF CONNECTICUT, FOR A :
PROCEEDING TO ESTABLISH A STATE OF :
EMERGENCY UTILITY SHUT-OFF :
MORATORIUM : SEPTEMBER 4, 2020

**RETAIL ENERGY SUPPLY ASSOCIATION’S
MOTION FOR RECONSIDERATION OF
REPORTING REQUIREMENTS RE ELECTRIC SUPPLIER INFORMATION**

The Retail Energy Supply Association (“RESA”)¹ hereby moves the Public Utilities Regulatory Authority (“Authority”) to reconsider its directive expanding the electric distribution companies’ (“EDCs”) monthly reporting requirements in the above-referenced docket to include information about electric supplier customers and prices and to rescind Order No. 27.²

BACKGROUND

On March 10, 2020, the Governor of the State of Connecticut (“Governor”) declared a public health and civil preparedness emergency pursuant to Connecticut General Statutes sections 19a-131a and 28-9 in response to the global COVID-19 pandemic.³ On March 12, 2020, the Attorney General of the State of Connecticut (“AG”) petitioned the Public Utilities Regulatory Authority (“Authority”) to open a proceeding to order electric, natural gas, and water public service companies (“Public Service Utilities”) to cease all service terminations for a thirty

¹ The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.

² See Motion No. 9 Ruling (Sep. 2, 2020) (“Motion No. 9 Ruling”), at 4-5, 6-7 (Order No. 27).

³ Declaration of Public Health and Civil Preparedness Emergencies (Mar. 10, 2020).

(30) day period (subject to renewal).⁴ The Authority granted the AG Petition and ordered the Public Service Utilities to implement a shut-off moratorium and refrain from terminating service to residential customers, except for reasons of public safety, for the duration of the public health and civil preparedness emergency declared by the Governor, or until such other time as determined by the Authority (“Moratorium”).⁵

On March 17, 2020, the Department of Energy and Environmental Protection (“Department”) requested that the Authority expand the scope of the instant docket (or open a new docket) to address issues that might arise as a result of the COVID-19 pandemic and persist during any period of economic recovery.⁶ The Authority granted the Department’s request⁷ and issued orders: (i) extending the Moratorium to all non-residential customer classes subject to certain parameters; (ii) prohibiting Public Service Utilities from requiring financial security deposits or balance reduction payments for restoration of utility service; and (iii) requiring the Public Service Utilities to maintain detailed records of costs incurred and revenues lost as a result of implementing the Authority’s orders and allowing regulatory assets to track incurred costs.⁸

On April 29, 2020, the Authority issued an Interim Decision in which it established a COVID-19 Payment Program.⁹ Under the COVID-19 Payment Program, the Public Service Utilities are required to provide certain assistance to their customers.¹⁰ To assist the Authority’s

⁴ 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 (Mar. 12, 2020) (“AG Petition”), at 1.

⁵ Motion No. 1 Ruling (Mar. 12, 2020).

⁶ See Motion No. 2 (Mar. 17, 2020).

⁷ See Motion No. 2 Ruling (Mar. 18, 2020) (“Motion No. 2 Ruling”), at 1.

⁸ See *id.* at 2. The Authority subsequently extended, and established expiration dates for, the Moratorium. See Interim Decision (Apr. 29, 2020) (“Interim Decision”), at 5; Revised Motion No. 2 Authority Correspondence (May 29, 2020); Motion No. 2 Authority Correspondence (Jul. 21, 2020); Motion No. 9 Ruling, at 5.

⁹ See Interim Decision, at 4, 6.

¹⁰ See Interim Decision, at 3.

evaluation of the effects of the COVID-19 pandemic on customers and the regulated utilities, the Authority required the Public Service Utilities to file monthly reports (“COVID-19 Payment Program Reports”) containing specified information about, among other things, service terminations, disconnections, reconnections, the COVID-19-Payment-Program and other payment arrangements, bad debt, and actual and forecasted usage.¹¹

On August 10, 2020, the Authority’s Office of Education, Outreach, and Enforcement (“EOE”) requested that the monthly COVID-19 Payment Program Reports filed by the EDCs be expanded to include the following information about electric supplier customers and prices:

the number of payment arrangements, both ongoing and failed, in which customers receive generation service from an electric supplier; the number of payment arrangements, both ongoing and failed in which a customer received generation service from a supplier at a supply rate greater than the standard service rate; [and] the amount of bad debt attributable to customers receiving generation service from suppliers at a rate greater than the standard service rate.¹²

EOE also offered specific recommendations for modifications to the phrasing of the Interim Decision’s reporting requirements to accomplish this goal.¹³ In making its request, EOE expressed a belief that this information would educate the Authority and the public on any effect that supplier rates may have on customer payments during the COVID-19 pandemic.¹⁴

On September 2, 2020, in its Motion No. 9 Ruling,¹⁵ the Authority, effectively granting the EOE Request, directed the EDCs to provide in their COVID-19 Payment Program Reports,

¹¹ See Interim Decision, at 5.

¹² EOE Request to Include Supplier Information in Data Collected from EDCs (Aug. 10, 2020) (“EOE Request”), at 1.

¹³ See *id.* at 1-2.

¹⁴ See *id.* at 1.

¹⁵ The principal focus of the Motion No. 9 Ruling was the set of requests made in Motion No. 9. See Motion No. 9 Ruling, at 1-4. These requests sought (1) an extension of the Moratorium for residential customers to October 1, 2020; (2) an order directing the electric and gas public service companies clearly, concisely, and widely to disseminate information regarding the end date of the Moratorium (as applicable to residential customers); and (3) an order directing the electric and gas public service companies to include information regarding available arrearage

starting from the September 15, 2020 report, the following information about electric supplier customers and prices:

the number of payment arrangements, both ongoing and failed, in which customers receive generation service from an electric supplier; the number of payment arrangements, both ongoing and failed in which a customer received generation service from a supplier at a supply rate greater than the standard service rate; and, the amount of bad debt attributable to customers receiving generation service from suppliers at a rate greater than the standard service rate.¹⁶

To implement this directive, the Authority revised the Interim Decision's reporting requirements in Order No. 27.¹⁷ RESA now hereby requests that the Authority reconsider its directive expanding the EDCs' monthly reporting requirements to include information about electric supplier customers and prices and rescind Order No. 27.

ARGUMENT

RESA understands the impact that COVID-19 is having on consumers and businesses across the United States and appreciates the Authority's efforts to address the effects of the pandemic. However, gathering the additional information that the Motion No. 9 Ruling directed about electric supplier customers and prices will not advance those goals. Instead, it will produce information that is potentially misleading. Consequently, the Authority should reconsider its directive that the EDCs provide the additional information about electric supplier customers and prices specified in the Motion No. 9 Ruling and rescind Order No. 27.

forgiveness programs and hardship protection with all termination notices sent after the end of the Moratorium for residential customers. *See* Motion for Extension of COVID-19 Residential Shut-Off Moratorium (Aug. 18, 2020) ("Motion No. 9"), at 1. The Authority granted an extension of the Moratorium (as applicable to non-hardship customers until October 1, 2020) and issued other orders respecting residential customer terminations, Public Service Utilities' communications, EOE reporting on Public Service Utilities' compliance with the orders in this docket, Public Service Utilities' providing customer call recordings to EOE, and Public Service Utilities' reporting their termination processes for residential and non-residential customers once the Moratorium ends. *See* Motion No. 9 Ruling, at 5-6 (Order Nos. 19 through 26). RESA does not seek reconsideration of Order Nos. 19 through 26.

¹⁶ Motion No. 9 Ruling, at 5-6.

¹⁷ *See* Motion No. 9 Ruling, at 6-7 (Order No. 27).

I. INFORMATION ABOUT CUSTOMERS CURRENTLY SERVED BY SUPPLIERS WHO ARE ON PAYMENT ARRANGEMENTS WILL LIKELY PRODUCE MISLEADING INFORMATION

The Motion No. 9 Ruling directed that the EDCs' COVID-19 Payment Program Reports include the number of ongoing payment arrangements in which customers are receiving generation service from an electric supplier.¹⁸ The Motion No. 9 Ruling further directed that this information be “broken down by the number of customers paying greater than the standard service rate and the mean, median, high, and low rates being paid by those customers.”¹⁹ In its request that suppliers provide this information, EOE indicated its belief that this information will educate the Authority and the public on any impact supplier rates may have on customer payments during the COVID-19 pandemic.²⁰ However, this information will not do so.

Fundamentally, payment arrangements are intended to allow customers to pay *previously* incurred charges for service over an extended period of time, going forward.²¹ Such payment arrangements include charges for usage that occurred more than one month (i.e., at least thirty-three (33) days) before the bill became delinquent.²² However, under present circumstances, payment arrangements could reflect significantly older charges—for residential and nonresidential customers alike.

Typically, payment arrangements are a way for customers to avoid termination for a delinquency.²³ Because the Moratorium alleviated the threat of service termination, customers

¹⁸ See Motion No. 9 Ruling, at 4-5.

¹⁹ *Id.* at 7.

²⁰ See EOE Request. at 1.

²¹ See Interim Decision, at 3 (indicating that COVID-19 Payment Program payment arrangements must “[f]acilitate the repayment of the past due balances in addition to the customer’s currently monthly bill”); *cf.* Conn. Agencies Regs. § 16-3-100(b)(2)(B), (b)(3)(A), (f) (recognizing that payment arrangements are designed to amortize delinquent balances).

²² See Conn. Agencies Regs. § 16-3-100(a)(5) (defining “delinquent account”).

²³ See Conn. Agencies Regs. § 16-3-100(b)(3)(A) (recognizing that payment arrangements are designed to amortize delinquent balances).

could have deferred entering into payment arrangements for bills that became delinquent at the beginning of the Moratorium. Thus, past-due amounts being amortized under COVID-19 Payment Program arrangements might contain amounts incurred more than five (5) months ago - before the beginning of the Moratorium on March 12, 2020 (for residential customers) or March 18, 2020 (for nonresidential customers).²⁴

Because customers can, and often do, switch their source of generation supply, however, a customer's current source of generation supply may have no relation to the customer's past due charges.²⁵ In fact, numerous customers may have been served by their utility (e.g., through Standard Service), accrued past due balances, and then switched to suppliers.²⁶ Thus, a customer's current source of generation supply may have no relation to the customer's past charges for generation supply, or any associated amounts covered by a payment arrangement.

Similarly, information about the price that customers are *currently* paying for generation supply may have no bearing on what the customer was paying at the time that the past due balance was accrued. In fact, the further out in time the COVID-19 Payment Program Reports

²⁴ See Motion No. 1 Ruling (Mar. 12, 2020) (issuing the Moratorium for residential customers); Motion No. 2 Ruling (expanding the Moratorium to cover nonresidential customers). In order for a delinquency to have arisen for a monthly bill by March 12, 2020, the bill must have been issued before February 8, 2020 (i.e., thirty-three (33) days before March 12, 2020. See Conn. Agencies Regs. § 16-3-100(a)(5) (defining "delinquent account"). While nonresidential customers do not have the same rights to amortization agreements as residential customers, nevertheless, like residential customers, they could take advantage of the Moratorium to avoid termination of service for its applicable duration and enter into a payment arrangement to amortize the then-past-due balance shortly before the end of the Moratorium.

²⁵ See Docket No. 20-01-33, *PURA Review of Electric Distribution Companies' Method of Payment to Licensed Electric Suppliers for Uncollectible Customer Accounts*, Written Comments of The United Illuminating Company (Feb. 21, 2020) ("UI Comments"), at 4 ("In [The United Illuminating] Company's experience, a certain percentage of customers switch between Suppliers regularly, and therefore, an uncollectible balance may originate from multiple Suppliers.").

²⁶ See, generally, Docket No. 06-10-22, *PURA Monitoring the State of Competition in the Electric Industry*, EDC Monthly Migration Reports (reflecting the consistently changing number of customers served by the EDCs and by suppliers each month).

are issued, the more likely that customers will have either switched their source of supply or moved to a product with a different price.

Under the COVID-19 Payment Program, the payback period can reach twenty-four (24) months.²⁷ Suppliers offer a variety of contract terms that vary in length from four (4) months to thirty-six (36) months.²⁸ Further, many residential offers do not include termination fees.²⁹ Thus, in the course of a twenty-four month (24) payback period, customers could switch suppliers and/or return to utility service multiple times. As a result, information about customers on payment arrangements and served by suppliers in monthly reports issued two (2) years from now are even more likely to be misleading.³⁰ Moreover, even if a customer's current electricity rates have some bearing on his or her past due balances, because distribution rates, transmission rates, and non-bypassable charges together comprise a far more significant proportion of a customer's bill than generation supply charges,³¹ they would have a far more significant bearing on past due amounts than generation supply charges. Thus, requiring the EDCs to report information about the payment arrangements of customers receiving generation supply service from competitive suppliers and their current generation supply prices will not offer meaningful information about the effect of supplier prices on customer payments.

²⁷ See Interim Decision, at 3.

²⁸ See Rate Board, <https://www.energizect.com/compare-energy-suppliers> (last visited Sep. 3, 2020).

²⁹ *Id.*

³⁰ See Docket No. 20-01-33, *PURA Review of Electric Distribution Companies' Method of Payment to Licensed Electric Suppliers for Uncollectible Customer Accounts*, UI Comments, at 4 (“In [The United Illuminating] Company's experience, a certain percentage of customers switch between Suppliers regularly, and therefore, an uncollectible balance may originate from multiple Suppliers.”).

³¹ Cf. Docket No. 20-01-01, *Administrative Proceeding to Review The Connecticut Light and Power Company's Standard Service and Supplier of Last Resort Service 2020 Procurement Results and Rates*, Eversource Slides (Aug. 24, 2020) (indicating that energy supply represents approximately thirty percent of a customer bill for a Standard Service customer). Because competitive electric supply products may have prices lower than Standard Service rates (see Connecticut Rate Board, <https://www.energizect.com/compare-energy-suppliers> (last visited Sep. 3, 2020) (showing supplier offers with prices below the Standard Service rate)), competitive supply products may represent a lesser proportion of a customer's bill.

II. INFORMATION ABOUT CUSTOMERS CURRENTLY SERVED BY SUPPLIERS WHO HAVE FAILED PAYMENT ARRANGEMENTS WILL NOT PROVIDE MEANINGFUL INFORMATION

The Motion No. 9 Ruling also required that the EDCs' COVID-19 Payment Program Reports include the number of failed payment arrangements in which customers are receiving generation service from an electric supplier.³² The Motion No. 9 Ruling further required that this information be broken down by the number of customers paying (or having paid) "greater than the standard service rate, and the mean and median rates paid by those customers."³³ When requesting this change to the COVID-19 Payment Program Reports, EOE indicated its belief that this information will educate the Authority and the public on any impact supplier rates may have on customer payments during the COVID-19 pandemic.³⁴ However, there is no inherent relationship between a customer's current generation supply price and the customer's failure to meet the terms of a payment arrangement.

A customer's failure to be able to satisfy the terms of a payment arrangement could have any number of causes unrelated to the customer's current source or price of generation supply. For instance, such a failure could result from unexpected changes in the customer's financial circumstances (e.g., loss of employment) or poor design of the payment arrangement (such as payment over an unrealistically short period). Even if a customer's electricity rates have some bearing on his or her failure to satisfy the terms of a payment arrangement, because distribution rates, transmission rates, and non-bypassable charges together comprise a far more significant proportion of a customer's bill than generation supply charges,³⁵ they are far more likely to have

³² See Motion No. 9 Ruling, at 4-5.

³³ *Id.* at 7.

³⁴ EOE Request, at 1.

³⁵ Cf. Docket No. 20-01-01, *Administrative Proceeding to Review The Connecticut Light and Power Company's Standard Service and Supplier of Last Resort Service 2020 Procurement Results and Rates*, Eversource Slides (Aug. 24, 2020) (indicating that energy supply represents approximately thirty percent of a customer bill for a Standard

contributed to the customer's failure to satisfy the terms of the payment arrangement than generation supply charges. As a result, the information specified in the Motion No. 9 Ruling about customers with failed payment arrangements that are served by competitive suppliers will *not* provide meaningful information about the effect that supplier prices may have on customer payments.

III. REPORTING ABOUT ELECTRIC SUPPLIER CUSTOMER BAD DEBT WILL LIKELY PRODUCE MISLEADING INFORMATION

The Motion No. 9 Ruling also required that the EDCs' COVID-19 Payment Program Reports include information about the amount of bad debt "attributable to" customers receiving generation service from suppliers at a price greater than the Standard Service rate.³⁶ First and foremost, it is not clear that this information is even available from the EDCs.³⁷ Furthermore, to the extent the Motion No. 9 Ruling requires information about the amount of bad debt of customers *currently* receiving generation service from suppliers at a price greater than the Standard Service rate, the requirement suffers from the same infirmities as the requirement for information about customers on payment arrangements receiving service from an electric supplier.³⁸

Service customer). Because competitive electric supply products may have prices lower than Standard Service rates *see* Connecticut Rate Board, <https://www.energizect.com/compare-energy-suppliers> (last visited Sep. 3, 2020) (showing supplier offers with prices below the Standard Service rate)), competitive supply products may represent a lesser proportion of a customer's bill.

³⁶ *See* Motion No. 9 Ruling, at 5, 7.

³⁷ *See* Docket No. 20-01-33, *PURA Review of Electric Distribution Companies' Method of Payment to Licensed Electric Suppliers for Uncollectible Customer Accounts*, UI Comments, at 4 (indicating that UI does not "have a system in place to track balances by Supplier . . ."); Docket No. 20-01-33, *PURA Review of Electric Distribution Companies' Method of Payment to Licensed Electric Suppliers for Uncollectible Customer Accounts*, UI Response to Interrogatory EOE-13 (Jul. 13, 2020); Docket No. 20-01-33, *PURA Review of Electric Distribution Companies' Method of Payment to Licensed Electric Suppliers for Uncollectible Customer Accounts*, Written Comments of The Connecticut Light and Power Company d/b/a Eversource Energy (Feb. 21, 2020) ("Eversource Comments"), at 3 ("[I]dentifying the amount applicable to individual retail electric suppliers is not feasible.").

³⁸ *See supra* Section I.

Bad debt reflects unpaid charges for *past service* that, in most instances, have remained unpaid for months.³⁹ Because customers regularly switch suppliers and/or prices,⁴⁰ bad debt could have resulted from charges from a different provider, including the EDC, and at a different price point,⁴¹ as well as delivery and non-bypassable charges. Hence, there is no inherent connection between a customer's bad debt and his or her current source or price of supply. Consequently, reporting about the amount of debt for a customer *currently* receiving supply at a price above the Standard Service rate may result in misleading information. Thus, requiring the EDCs to report these data will not offer meaningful information about the effect of supplier prices on customer payments.

IV. REPORTING REGARDING SERVICE TERMINATIONS, DISCONNECTIONS, AND RECONNECTIONS ON A SUPPLIER AND PRICE BASIS COULD BE MISLEADING

The Motion No. 9 Ruling further required that the EDCs report the aggregate number of service terminations, disconnections, and reconnections by electric supplier and the customer's current generation service rate.⁴² This requirement suffers from the same problems as Order No. 27's other changes to EDC reporting requirements; namely, it is likely to lead to the reporting of misleading information.

³⁹ See Docket No. 20-01-33, *PURA Review of Electric Distribution Companies' Method of Payment to Licensed Electric Suppliers for Uncollectible Customer Accounts*, UI Comments, at 2-3 (identifying criteria for designating accounts as uncollectible); Docket No. 20-01-33, *PURA Review of Electric Distribution Companies' Method of Payment to Licensed Electric Suppliers for Uncollectible Customer Accounts*, Eversource Comments, at 2 ("An uncollectible account is a customer account that continues to have an outstanding balance 120 days after the customer was rendered a final bill after the electric service at the location of record has ended.").

⁴⁰ See, generally, Docket No. 06-10-22, *PURA Monitoring the State of Competition in the Electric Industry*, EDC Monthly Migration Reports (reflecting the differences from month-to-month of the number of customers served by suppliers and at specified price points).

⁴¹ See Docket No. 20-01-33, *PURA Review of Electric Distribution Companies' Method of Payment to Licensed Electric Suppliers for Uncollectible Customer Accounts*, UI Comments, at 4 ("For example, Customer A could have switched to Supplier B by the time that a balance incurred with Supplier A ages to the point of being deemed uncollectible.").

⁴² See Motion No. 9 Ruling, at 7.

Service terminations and disconnections for non-payment only occur after a customer fails to pay a *past* due balance or amounts due under a payment arrangement for a past due balance.⁴³ Because customers regularly switch suppliers and/or prices,⁴⁴ those past due balances could have resulted from charges from a different provider, including the EDC, and at a different price point,⁴⁵ as well as delivery and non-bypassable charges. Hence, there is no inherent connection between a customer's disconnection for a past due balance and his or her current source or price of supply. Consequently, requiring the EDCs to provide data about service terminations, disconnections, and reconnections on the basis of the customer's current supplier and/or price may result in the reporting of misleading information. Thus, requiring the EDCs to report these data will not offer meaningful information about the effect of supplier prices on customer payments.

CONCLUSION

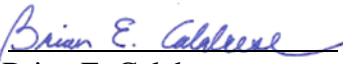
For all the foregoing reasons, the Authority should reconsider its directive requiring that the EDCs provide information about electric supplier customers and prices in their COVID-19 Payment Program Reports and should rescind Order No. 27.

⁴³ See Conn. Agencies Regs. § 16-3-100(b)(2)(J) (providing for termination of service, with notice to the customer, in the event of non-payment of a delinquent account).

⁴⁴ See, generally, Docket No. 06-10-22, *PURA Monitoring the State of Competition in the Electric Industry*, EDC Monthly Migration Reports (reflecting the differences from month-to-month of the number of customers served by suppliers and at specified price points).

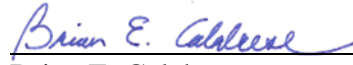
⁴⁵ See Docket No. 20-01-33, *PURA Review of Electric Distribution Companies' Method of Payment to Licensed Electric Suppliers for Uncollectible Customer Accounts*, UI Comments, at 4 ("For example, Customer A could have switched to Supplier B by the time that a balance incurred with Supplier A ages to the point of being deemed uncollectible.").

Respectfully Submitted,
RETAIL ENERGY SUPPLY
ASSOCIATION

By: 
Brian E. Calabrese
Robinson & Cole LLP
280 Trumbull Street
Hartford, CT 06103
Phone: (860) 275-8200
Fax: (860) 275-8299
E-mail: bcalabrese@rc.com

CERTIFICATION

I hereby certify that a copy of the foregoing was sent to all participants of record on this
4th day of September 2020.



Brian E. Calabrese