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May 21, 2019

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

Re: **Docket No. 18-06-02: Review of Feasibility, Costs, and Benefits of Placing Certain Customers on Standard Service Pursuant to Conn. Gen. Stat. § 16-245o(m)**

Dear Mr. Gaudiosi:

Enclosed please find the Testimony of Richard J. Hudson, Jr., on Behalf of Retail Energy Supply Association in connection with the above-referenced proceeding.

I certify that a copy hereof has been sent to all participants of record as reflected on the Public Utilities Regulatory Authority's ("Authority") service list as of this date. A copy has also been filed with the Authority as an electronic web filing and is complete.

Please do not hesitate to contact me if you have any questions or require additional information. Thank you.

Sincerely,

Brian E. Calabrese

Brian E. Calabrese

Enclosure

Copy to: Service List

STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY

REVIEW OF FEASIBILITY, COSTS, AND BENEFITS OF PLACING CERTAIN CUSTOMERS ON STANDARD SERVICE PURSUANT TO CONN. GEN. STAT. § 16-245O(M)	:	DOCKET NO. 18-06-02
	:	MAY 21, 2019

TESTIMONY

OF

RICHARD J. HUDSON, JR.

On Behalf of

Retail Energy Supply Association

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RJH-1	Qualifications and Experience of Richard J. Hudson Jr.
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I. INTRODUCTION AND BACKGROUND

Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

A. My name is Richard J. Hudson Jr. My business address is 1102 Park Square, Munhall, Pennsylvania, 15120. I am an independent consultant and I have been retained by the Retail Energy Supply Association ("RESA") to submit testimony in this proceeding.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND EMPLOYMENT HISTORY.

A. I received a bachelor's degree in business and economics from the University of North Carolina at Greensboro. I have more than 15 years energy industry experience working on regulatory and policy matters with a particular emphasis on competitive retail energy markets. I have been employed by four different competitive retail energy suppliers, all with operations in Connecticut's restructured retail energy market at the time of my employment. These suppliers are: Constellation NewEnergy, Inc., Consolidated Edison Solutions, Inc., Reliant Energy, and Strategic Energy, LLC. During my tenure with these energy suppliers, I also held several leadership positions within RESA, including serving as the Pennsylvania State Chair for several years. I was also elected to officer positions within RESA, including serving as Secretary and Vice President. I was also previously employed by the Federal Energy Regulatory Commission ("FERC") for approximately four years during which I worked on a wide variety of FERC jurisdictional regulatory issues related wholesale electricity markets. As outlined in Exhibit RJH-1, I have submitted expert witness testimony in multiple states on various issues related to the development of competitive retail energy markets. I have also testified before several state legislative committees with jurisdiction over retail energy markets.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. My testimony is submitted on behalf of RESA.[1]

Q. PLEASE DESCRIBE THE RETAIL ENERGY SUPPLY ASSOCIATION.

A. RESA is a nonprofit organization and trade association that represents the interests of a broad and diverse group of energy suppliers who share the common vision that competitive retail and wholesale energy markets deliver a more efficient, customer-oriented outcome than the regulated utility structure. RESA is devoted to working with all stakeholders to promote vibrant and sustainable competitive retail energy markets for all consumers. RESA members currently serve residential, commercial and industrial ("C&I") and institutional customers in Connecticut and other jurisdictions in North America that have adopted retail energy choice.

Q. ARE YOU FAMILIAR WITH THE SCOPE OF THIS PROCEEDING AND THE TESTIMONY SUBMITTED BY THE OFFICE OF CONSUMER COUNSEL?

A. Yes, I have been briefed on the procedural history of this docket. I have also reviewed the Testimony of Susan M. Baldwin submitted on February 27, 2019 on behalf of the Connecticut Office of Consumer Counsel ("OCC") and as subsequently corrected. I have attempted to familiarize myself with the voluminous data responses available in the record in this proceeding as they pertain to issues of interest to RESA.

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[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.

Q. WHAT INFORMATION IS THE PUBLIC UTILITIES REGULATORY AUTHORITY SEEKING TO REVIEW IN THIS PROCEEDING?

A. According to its notice initiating this docket on July 11, 2018, the Public Utilities Regulatory Authority ("PURA" or "Authority") is interested in the following:

- Trends in § 16-245o(m) accounts, including the conditions driving and impacting those trends;
- The number of § 16-245o(m) accounts serviced by a supplier;
- The amount § 16-245o(m) accounts have paid versus the amount the same accounts would have paid if on standard service;
- The impact of placing § 16-245o(m) accounts on standard service;
- Any nonmonetary value the § 16-245o(m) accounts have received while being serviced by a supplier; and
- Any other information that will assist the Authority in reviewing the feasibility, costs, and benefits of possibly switching §16-245o(m) accounts to standard service.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to respond to the principal conclusions and recommendations within the testimony of Susan M. Baldwin on behalf of the OCC and to offer information and policy recommendations germane to the issues outlined by PURA above. Specifically, my testimony addresses the following:

- Eliminating energy choice for any class of customers is a drastic measure that warrants significant scrutiny by PURA;

- The OCC's analysis comparing retail supplier prices to standard service rates fails to conclusively demonstrate that hardship customers would be better off on standard service;
- Competitive alternatives to standard service offer significant opportunities for savings for Connecticut hardship customers;
- A retrospective comparison of retail supplier prices to standard service rates is a fundamentally flawed metric for assessing the value of retail energy choice;
- Retail suppliers offer a range of value propositions beyond price that must be considered;
- There are practical and operational issues as well as costs involved with any policy decision to restrict hardship customers to standard service;
- The OCC's testimony on supplier uncollectible accounts levels fails to show that shopping hardship customers have higher rates of non-payment compared to standard service hardship customers;
- Supplier complaint levels have normalized in recent years and are now on par with electric distribution company ("EDC") complaint levels;
- A recently published study shows that restructured energy markets with retail choice have better price performance than monopoly jurisdictions;
- PURA should fully explore the feasibility, costs and benefits of other policy alternatives to address concerns regarding hardship customers.

II. <u>ELIMINATING CHOICE FOR ANY CLASS OF CUSTOMERS IS A DRASTIC MEASURE THAT WARRANTS SIGNIFICANT SCRUTINY</u>

Q. WHAT ISSUES ARE ADDRESSED IN THIS SECTION OF YOUR TESTIMONY?

A. The following section responds to the following topics:

- The number of § 16-245o(m) accounts serviced by a supplier;
- The impact of placing § 16-245o(m) accounts on standard service;
- Any other information that will assist the Authority in reviewing the feasibility, costs, and benefits of possibly switching §16-245o(m) accounts to standard service.

Q. PLEASE DISCUSS YOUR UNDERSTANDING OF THE PRINCIPAL POLICY QUESTION IN THIS PROCEEDING.

A. The title of this proceeding is "Review of feasibility, costs and benefits of placing certain customers on standard service pursuant to Connecticut General Statutes § 16-245o(m)." The specific customers at issue here are "hardship" customers, who are eligible for additional consumer protections or utility financial assistance based on certain criteria defined in statute. These hardship customers are deemed eligible for such protections based on factors such as income, receipt of public assistance or whether the customer is suffering from a serious medical condition. Although the policy issues in this proceeding are varied and complex, the principal question seems to be whether it is appropriate to place all of these hardship customers on standard service and prohibit such customers from choosing a competitive energy supplier. If PURA ultimately orders all hardship customers to be placed on standard service, the statute that prompted PURA's initiation of this proceeding also contemplates a review of this policy decision not less than every two years.[2]

Q. DO YOU SUPPORT RESTRICTING THE ABILITY OF HARDSHIP CUSTOMERS TO SHOP FOR COMPETITIVE ENERGY SUPPLY OPTIONS?

A. No. As a general matter, I do not believe it is appropriate to deprive a certain group of customers of the right to participate in the competitive market for energy products and services. All customers should be afforded the dignity and privilege of choosing for themselves which energy supply option best fits their individual needs and determining for themselves whether a particular supplier product offers value. This is a cornerstone principle of a competitive market. It is important to first acknowledge that the hardship customers who are currently served by competitive suppliers have made an affirmative choice to enroll with that supplier. The question of whether to abrogate this choice (or remove the opportunity for such a choice going forward) should be approached very carefully and, in my view, substantial deference should be provided to the will of the customer. While I understand the desire to protect hardship customers, the OCC's proposal in this proceeding would supplant the judgement of tens of thousands of Connecticut customers with the judgement of single regulatory agency. I would encourage PURA to apply a very high bar in considering whether to adopt such a policy. The OCC's testimony also reduces the value assessment of retail energy choice to a single dimension—historical price comparisons between suppliers and standard service.

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[2] Connecticut General Statutes § 16-245o(m): "...Notwithstanding the provisions of section 16-245r, the authority may, in a final decision issued pursuant to this subsection, order all such customers to be placed on standard service. If the authority issues such an order, it shall reopen such docket not less than every two years."

In later sections of my testimony, I will discuss in greater detail the limitations of focusing exclusively on retrospective price comparisons. This narrow metric is fundamentally flawed because it fails to consider the full range of benefits and value propositions that retail suppliers offer and it fails to account for the structural advantages that standard service enjoys due to cost allocation and market design inequities. Furthermore, this narrow focus on generation service price comparisons is in stark contrast to many other state energy policies seeking to broaden the energy value proposition. For example, the 2018 Connecticut Comprehensive Energy Strategy emphasizes the importance of energy efficiency, sustaining and growing renewable and zero-carbon generation, expanding distributed generation, accelerating the adoption of low and zero emission vehicles, and modernizing the electricity grid.[3] These energy policy objectives seek to expand the availability of energy alternatives and promote greater consumer engagement in energy management decisions. Removing energy choice for a class of customers runs counter to these objectives.

Q. DID MS. BALDWIN INTERVIEW ANY CUSTOMERS TO SUPPORT THE OCC'S RECOMMENDATION IN THIS PROCEEDING TO ELIMINATE ENERGY CHOICE FOR HARDSHIP CUSTOMERS?

A. No. In response to RESA interrogatories, the OCC stated that neither Ms. Baldwin nor the other consultants involved in the preparation of testimony interviewed customers in connection with this proceeding.[4]

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[3] https://www.ct.gov/deep/lib/deep/energy/ces/2018_comprehensive_energy_strategy.pdf.
[4] OCC Responses to RESA-OCC-13 and RESA-OCC-14.

Q. DID MS. BALDWIN CONDUCT ANY CUSTOMER SURVEYS TO SUPPORT THE OCC'S RECOMMENDATION TO ELIMINATE ENERGY CHOICE FOR HARDSHIP CUSTOMERS?

A. No. In response to RESA interrogatories, the OCC stated that neither Ms. Baldwin nor the other consultants involved in the preparation of testimony conducted customer surveys in connection with this proceeding.[5]

Q. HAVE YOU INTERVIEWED CUSTOMERS OR CONDUCTED CUSTOMER SURVEYS IN CONNECTION WITH YOUR TESTIMONY?

A. While I have not specifically interviewed customers or conducted surveys in the preparation of my testimony in this proceeding, the actions of the tens of thousands of hardship customers who have chosen a supplier speak for themselves. It is my recommendation to allow these individual customer choices to stand. Ms. Baldwin, however, is recommending overriding and eliminating this choice. Furthermore, I am aware of public opinion surveys demonstrating significant customers support for energy choice.[6]

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[5] OCC Responses to RESA-OCC-13 and RESA-OCC-14.

[6] http://competitiveenergy.org/survey-shows-consumers-strongly-support-maintaining-existing-energy-choice-acces-says/; https://cleanedge.com/Resources/news/National-Poll-Finds-US-Homeowners-Overwhelmingly-Want-Energy-Choice; http://www.surveyusa.com/client/PollReport.aspx?g=fc4c85a3-cda9-44bd-abf8-f674770e1161.

Q. IS THE RETAIL SUPPLIER BUSINESS MODEL BETTER POSITIONED TO PROVIDE CUSTOMERS WITH PRODUCT AND SERVICE OPTIONS OF VALUE?

A. Yes. The retail supplier business model only exists when customers perceive value and affirmatively elect to enroll on a particular supplier product or service. By contrast, standard service is a one-size fits all product that is the outcome of a regulatory mandate for the EDC's to provide service to customers who are not enrolled with another provider. The distinction between these two business models is important. The retail supplier business model cannot exist if customers do not perceive something of value and take action to enroll. Accordingly, the supplier model is more customer-focused because there is a natural incentive for the supplier to adapt to fulfill customer preferences. In my view, the individual choices, preferences, and motivations of the more than 75,000 Connecticut hardship customers should be afforded significant weight.[7] And by recent counts more than 26,000 of these customers have opted to exercise their choice by enrolling with a supplier.[8]

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[7] See Table SMB-2 from Testimony of Susan M. Baldwin, derived from EDC responses to OCC-012 and OCC-013, showing 50,098 hardship customers on standard service and 26,729 hardship customers on third party supply as of September 2018.

[8] See Exhibit SMB-2 from Testimony of Susan M. Baldwin showing 26,729 hardship customers enrolled with a supplier as of September 2018. Updated data from the EDCs responses to RESA-EDC-37 shows a March 2019 total of 13,586 hardship customers for UI and 18,640 hardship customers for Eversource, with a combined total of 32,226.

III. THE OCC'S PRICING ANALYSES FAIL TO CONCLUSIVELY DEMONSTRATE THAT HARDSHIP CUSTOMERS WOULD BE BETTER OFF ON STANDARD SERVICE

Q. WHAT ISSUES ARE ADDRESSED IN THIS SECTION OF YOUR TESTIMONY?

A. The following section addresses the following topics:

- The amount § 16-245o(m) accounts have paid versus the amount the same accounts would have paid if on standard service;
- The impact of placing § 16-245o(m) accounts on standard service;
- Any other information that will assist the Authority in reviewing the feasibility, costs, and benefits of possibly switching §16-245o(m) accounts to standard service.

Q. DOES THE OCC'S TESTIMONY CONCLUSIVELY SHOW THAT HARDSHIP CUSTOMERS WOULD BE BETTER OFF ON STANDARD SERVICE?

A. No. The OCC's testimony focuses almost entirely on a retrospective comparison of supplier prices to the standard service rates that were in effect over a limited time period—24 months from October 2016 through September 2018. I do not dispute that for this time period, it appears that most hardship customers paid more with their competitive supplier than they would have paid had they remained with standard service. However, this type of historical price comparison does not paint the full picture. It fails to answer the question of whether individual customers would be better off being placed on standard service on a going forward basis. It fails to sufficiently acknowledge that individual customers have experienced lower prices with their chosen supplier at various points in time. It fails to acknowledge that the cost of retail supplier service relative to the standard service rate can change significantly over time. And it fails to consider the additional value-added benefits that customers may receive from their supplier.

Q. PLEASE SUMMARIZE THE COST DIFFERENCE FOR HARDSHIP CUSTOMERS BETWEEN SUPPLIER PRICES AND STANDARD SERVICE PRESENTED IN OCC'S TESTIMONY.

A. The OCC's testimony presents analyses showing that overall, hardship customers paid $7.2 million more for supply service over the 24-month (October 2016 to September 2018) period. The table below shows the weighted average supplier prices versus the weighted average EDC prices during this period.

Table RJH-1		
	Eversource (Hardship)	UI (Hardship)
Supplier weighted average price (per kWh)	$ 0.10060	$ 0.10230
Weighted average EDC rate (per kWh)	$ 0.08220	$ 0.08780
Supplier price delta	$ 0.01830	$ 0.01450
% difference over EDC rate	22%	16%
Source: Excerpts from Table SMB-3, Direct Testimony of Susan M. Baldwin		

Q. BASED ON YOUR REVIEW OF THE OCC'S TESTIMONY, ARE YOU CONVINCED THAT HARDSHIP CUSTOMERS WOULD BE BETTER OFF ON STANDARD SERVICE?

A. No. First of all, I would note that the information above shows aggregated values for the overall population of hardship customers. It reflects that some customers paid more relative to the standard service rate and some customers paid less. I would submit that from a customer's point of view, the important thing is whether there is an opportunity to save or to receive some other aspect of value from a supplier offer—not whether a group of similarly situated customers saved on average or in aggregate.

Q. IS THERE EVIDENCE DEMONSTRATING THAT A SIGNIFICANT NUMBER OF HARDSHIP CUSTOMERS SERVED BY RETAIL SUPPLIERS ACHIEVED SAVINGS RELATIVE TO STANDARD SERVICE?

A. Yes. The OCC's own analysis shows that indeed there were a significant instances in which individual customers achieved savings relative to the standard service rate. For example, Table SMB-8 of the OCC's testimony shows that 21 percent of The Connecticut Light and Power Company d/b/a Eversource Energy ("Eversource") hardship customer bills and 24 percent of The United Illuminating Company ("UI") hardship customer bills reviewed in the October 2016 to September 2018 period were instances of savings relative to standard service.[9] The same table shows that there were 133,192 billing month instances of savings for hardship customers. While Ms. Baldwin dismisses the importance of these instances of customer savings, I would argue that this information alone provides sufficient reason to be skeptical of a call to end energy choice for hardship customers. Why should some hardship customers lose access to these savings (or other benefits available from energy choice) simply because some others did not achieve savings?

Q. IS THIS TYPE OF PRICE COMPARISON SENSITIVE TO CHANGES IN THE STANDARD SERVICE RATE?

A. Yes. I would note that standard service rates experienced significant increases for the current pricing period from January 1, 2019 to June 30, 2019.

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[9] Testimony of Susan M. Baldwin at 26.

Q. HOW DO THE JANUARY TO JUNE 2019 STANDARD SERVICE RATES COMPARE TO THE RATES IN EFFECT DURING THE STUDY PERIOD USED IN OCC'S ANALYSES?

A. The standard service rates that took effect as of January 1, 2019 are substantially higher. The standard service rates in effect during the historical study period ranged from \$0.06606 per kilowatt hour ("kWh") to \$0.09078 per kWh for Eversource, and from \$0.07600 per kWh to \$0.09663 per kWh for UI.[10] These rates compare to January to June 2019 rates of \$0.10143 for Eversource and \$0.11226 for UI. The table below compares the overall supplier price delta during the two-year study period to the higher standard service rates that took effect on January 1, 2019. As shown below, the January to June 2019 standard service rates are actually higher than the weighted average supplier prices for hardship and non-hardship customers during the study period.

[10] Source: Table SMB-7 from Direct Testimony of Susan M. Baldwin, which was based upon Eversource and UI Responses to OCC-011.

Table RJH-2				
	Eversource		UI	
	Non-Hardship	Hardship	Non-Hardship	Hardship
Supplier Weighted Average Price During Study Period (Oct 2016 to Sept 2018)	$ 0.09220	$ 0.10060	$ 0.09300	$ 0.10230
EDC Weighted Average Rate During Study Period	$ 0.08140	$ 0.08220	$ 0.08730	$ 0.08780
% Difference (supplier price over EDC rate)	13.27%	22.38%	6.53%	16.51%
January to June 2019 Standard Service Rate	$ 0.10143	$ 0.10143	$ 0.11226	$ 0.11226
% Difference (Weighted Average Supplier Prices from study period compared to current standard service rate)	-9.10%	-0.82%	-17.16%	-8.87%
Sources: Table SMB-10 from Direct Testimony of Susan M. Baldwin. January to June 2019 standard service rates taken from CT Rate Board.				

Q. THE ABOVE TABLE COMPARES HISTORICAL SUPPLIER WEIGHTED AVERAGE PRICES TO THE CURRENT STANDARD SERVICE RATES. PLEASE DISCUSS WHY THIS IS MEANINGFUL.

A. I acknowledge that the above table compares prices across two different time periods—current standard service rates (effective 1/1/19 through 6/30/19) versus historical supplier prices (10/1/16 to 9/30/18). However, I believe the above comparison is informative as it illustrates how the supplier prices reviewed in the study period stack up against actual standard service rates that can occur during a high-priced period. The retrospective comparison of supplier prices versus standard service rates in the OCC's testimony attempted to present an "open and shut" case that suppliers are "overcharging" hardship customers. However, as seen above, the picture looks much different in comparison to the January to June 2019 standard service rates.

Q. HAVE YOU ANALYZED MORE RECENT SUPPLIER PRICING INFORMATION?

A. Yes. Based on responses to RESA's data requests, the EDCs have updated the supplier pricing information that was used in the OCC's testimony. In the tables below I show the number and percentage of supplier billed prices for UI and Eversource hardship customers from December 2018 through March 2019 that were lower than the respective January to June 2019 standard service rate. Notably, half or more of the supplier billed prices for UI hardship customers were lower than the January to June 2019 standard service rate. Between 38 percent and 43 percent of the supplier billed prices for Eversource hardship customers were lower than the January to June 2019 standard service rate.

Table RJH-A

UI December 2018 to March 2019 Supplier Prices Below January to June 2019 Standard Service Rate

	Dec-18	Jan-19	Feb-19	Mar-19
Total Supplier Hardship Customer Bills	13808	13772	13659	13586
# of Hardship Supplier Customer Billed Prices Below Jan to June 2019 Standard Service Rate	8168	7512	7152	6732
% of Hardship Supplier Customer Billed Prices Below Jan to June 2019 Standard Service Rate	59%	55%	52%	50%

Source: UI Response to RESA-EDC-037

Table RJH-B				
Eversource December 2018 to March 2019 Supplier Prices Below January to June 2019 Standard Service Rate				
	Dec-18	Jan-19	Feb-19	Mar-19
Total Supplier Hardship Customer Bills	11244	14269	15808	18640
# of Hardship Supplier Customer Billed Prices Below Jan to June 2019 Standard Service Rate	4850	5856	6112	7086
% of Hardship Customer Billed Prices Below Jan to June Standard Service Rate	43%	41%	39%	38%
Source: Eversource Response to RESA-EDC-037SP01				

Q. WHY ARE YOU COMPARING THE DECEMBER 2018 SUPPLIER PRICES TO THE JANUARY 2019 STANDARD SERVICE RATES?

A. The OCC's analysis focused on a retrospective comparison of supplier prices to standard service rates. However, a customer who is making an energy supply choice will make this decision on a prospective basis in an attempt to decide what option best meets the customer's needs going forward. Given the significant standard service rate increases that took effect on January 1, 2019, I believe it is informative to examine how hardship customers on retail supplier service were positioned immediately prior and going into the higher priced standard service period. Accordingly, I compared the supplier billed prices in effect for December 2018 to the then-upcoming standard service rate that took effect on January 1, 2019.

Q. WHAT DO YOU CONCLUDE FROM YOUR ANALYSIS ABOVE?

A. I conclude that a policy decision to place all hardship customers on standard service could very likely force thousands of hardship shopping customers onto higher rates, especially if such a change were to be implemented during a relatively high-priced standard service rate period. For example, had this policy been in place during March 2019, 13,818[11] hardship customers, which represents 43 percent of the hardship customers served by suppliers statewide, who benefited from lower-priced supplier options that they affirmatively selected, would have been restricted to higher standard service rates.[12]

Q. DID YOU IDENTIFY ANY DATA INCONSISTENCIES OR ANOMALIES IN YOUR REVIEW OF THE SOURCE DATA PROVIDED BY THE EDCS?

A. Yes. I noticed certain errors, seeming anomalies and inconsistencies between data sources. For example, in RESA-EDC-36 and RESA-EDC-37, RESA requested more recent pricing information for the months of October 2018 through March 2019. RESA-EDC-36 was intended to gather the same data in the same format as OCC-03 with supplier and standard service billed pricing information for non-hardship customers. RESA-EDC-37 was intended to gather data in the same format as OCC-04 with supplier and standard service billed pricing data for hardship customers. The tabs in the "Q-RESA-EDC-037 Attachment 1" Excel file to the Eversource May 14, 2019 Q-RESA-EDC-037-SP01 response appear to be incorrectly labelled. For example, the worksheet tab labelled "resa37 a-g" includes a table titled (emphasis added): "Number of Accounts, kWh Used and Pricing Information for CL&P dba Eversource ***Non-hardship Customers*** on Third Party Supply for October 2018, November 2018, December 2018 and March 2019." However, the data in this response should have been limited to hardship accounts. The monthly account totals, which range from 7,731 to 20,989, are more consistent with

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[11] Based on totals from Table RJH-A and RJH-B above.

[12] I recognize that OCC's recommendation is to restrict suppliers from enrolling new hardship customers. Presumably, hardship customers on existing supplier contracts would be allowed to remain.

the customer counts to be expected for the ***hardship customer*** population. Accordingly, I have interpreted this data as hardship customer data, despite the label. In the same response and excel file, the second worksheet tab labelled "resa37 h-j" also appears to have an incorrect table title. It is titled (emphasis added): "Number of Accounts, kWh Used and Pricing Information for CL&P dba Eversource Hardship Customers on ***Third Party Supply*** Between October 2018 through March 2019." Although this does appear to correctly include information for hardship customers, the title indicates the data is for customers on ***Third Party Supply***. However, the rates and customer counts appear more consistent with the ***standard service*** group. Also, the data for the more recent time period fails to include data elements that were included in the original OCC-03 and OCC-04 data sets. Specifically, the Eversource data for the most recent time period does not include new account values in the supplier data set. There are also certain seeming anomalies in the customer counts for both standard service and third party supplier hardship counts in the Eversource data. For example, the January 2019 count for standard service hardship billed accounts is 3,432, which appears too low relative to other months. Also, the November 2018 hardship count for suppliers is 7,733, which also appears low relative to other months. The UI response to RESA-EDC-37 includes an Excel file labeled "RESA-EDC-037 UI Attachment 1." This response should have included information for hardship customers. Although the monthly labeled worksheets appear to include supplier pricing information for hardship accounts, the worksheet labeled "Standard Service" appears to include data for ***non-hardship customers*** because the Accounts Billed numbers appear too large for the hardship customer population with values over 190,000 for each month. I would also note that the UI third party supplier monthly customer counts from the more recent periods (October 2018 through March 2019) show a significant and unexplained increase with values around 13,000 to 14,000, compared to the analogous customer counts from the original study period (October 2016 to September 2018) which were around 7,000 to 8,000. Similarly, hardship customer counts for the same time periods, but sourced from different data sources show different values. For example, the UI third-party supplier hardship customer count for June 2017 as shown in Exhibit SMB-2 of the OCC's testimony shows a value of 10,177 (originally sourced from UI Response to OCC-13). However, the third-party supplier hardship customer count total for June 2017 taken from UI Response to OCC-04, is 8,118. While some of these issues are minor labeling or formatting issues, others may be indicative of substantive data problems.

Q. HAVE YOU REVIEWED OTHER DATA SOURCES ON RECENT SUPPLIER PRICING INFORMATION?

A. Yes. The EDCs file reports each month detailing the prices billed by each competitive supplier to residential customers during that month.[13] This data also includes customer counts associated with each supplier billed price. The information reported is for all residential customers and is not disaggregated between hardship and non-hardship customers.

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[13] These supplier billed price reports are filed in Docket 06-10-22 for each EDC.

Q. HAVE YOU REVIEWED RECENT VERSIONS OF THESE BILLED PRICE REPORTS?

A. Yes. I have reviewed the billed price reports for both Eversource and UI for January 2019 through March 2019.

Q. DO THESE PRICING REPORTS SUPPORT YOUR CONCLUSION THAT COMPETITIVE SUPPLIERS PROVIDE PRICE BENEFITS TO CONSUMERS?

A. Yes. As outlined in the table below, for both Eversource and UI, a majority of residential customers were on supplier rates that were less than the standard service rate during January 2019 through March 2019. The table includes information for all residential customers rather than only hardship accounts. However, it nonetheless supports my conclusion that supplier billed prices today, during a relatively high-priced standard service pricing period, fare much more favorably.

Table RJH-3		
	Eversource	UI
Total Customers Jan 2019	266,532	91,747
# Billed Prices Below SS Rate (Jan 2019)	150,293	56,645
% of Billed Prices Below SS Rate (Jan 2019)	56.39%	61.74%
Total Customers Feb 2019	252,516	91,294
# Billed Prices Below SS Rate (Feb 2019)	138,436	54,609
% of Billed Prices Below SS Rate (Feb 2019)	54.82%	59.82%
Total Customers March 2019	263,904	91,589
# of Billed Prices Below SS Rate (March 2019)	145,032	53,494
% of Billed Prices Below SS Rate (March 2019)	54.96%	58.41%
Source: EDC Supplier Billed Prices Reports from Docket 06-10-22		

Q. HAVE YOU CONSIDERED THE NEW STANDARD SERVICE RATES THAT TAKE EFFECT ON JULY 1, 2019?

I am aware that standard service rates will be adjusted again on July 1, 2019 and the rates for both Eversource and UI will decrease.[14] These lower standard service rates would again change the relative position of supplier prices versus standard service. However, this does not change my general conclusion that hardship customers benefit from the continued availability of energy choice. As discussed later, these seasonal swings in standard service rates demonstrate the volatility of standard service. Supplier products can offer the price stability of fixed rate contracts. Additionally, even after the new, lower standard service rates take effect there will likely be lower priced options available to hardship customers. As of May 16, 2019, there are 8 supplier offers for Eversource customers and 12 supplier offers available to UI customers with prices below the upcoming July 1 standard service rates.[15] There is also risk that standard service rates will again increase during the next rate period. Preserving energy choice for hardship customers allows motivated customers to actively shop for lower priced service as standard service rates and available competitive supplier offer prices change.

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[14] According to the CT Rate Board, the new EDC rates for July 1, 2019 to December 31, 2019 are $0.08123 for Eversource and $0.08975 for UI.

[15] Based on a review of available offers on the CT Rate Board as of May 16, 2019, at: www.energizect.com.

Q. DOES THE OCC'S TESTIMONY PROVIDE SUFFICIENT SUPPORT FOR CONNECTICUT TO UNDERTAKE THE DRASTIC STEP OF ELIMINATING CHOICE FOR HARDSHIP CUSTOMERS?

A. No. As discussed earlier, the policy decision to eliminate energy choice for a class of customers is an extremely significant step. Considering the seriousness of such a move, the standard of proof must be commensurately high. The OCC has limited its assessment of the value of energy choice for hardship customers to a single metric—price and price alone. As I will discuss more below, I believe such a metric is too narrow and fails to consider the value to consumers of numerous other benefits that a range of competitive alternatives can offer. But even under the narrow "price-only" metric, I do not believe OCC has met its burden to demonstrate that hardship customers would be overwhelmingly and consistently better off on standard service. As outlined above, the OCC's own analysis shows that 21% of Eversource billed supplier prices and 24% of UI billed supplier prices during the October 2016 to September 2018 review period were lower than comparable standard service rates for hardship customers.[16] During recent months, a majority of supplier billed prices for UI hardship customers were lower than the current standard service rate.[17] In addition, as discussed further below, there are frequently lower priced options available from competitive suppliers that provide an opportunity for savings to hardship customers. In short, there is substantial evidence that

[16] Table SMB-9 from Testimony of Susan M. Baldwin at 26.
[17] Table RJH-A presented previously in this testimony.

the competitive retail supplier market provides opportunities for price-related benefits to hardship customers.

IV. <u>COMPETITIVE ALTERNATIVES TO STANDARD SERVICE OFFER SUBSTANTIAL SAVINGS FOR CONNECTICUT RESIDENTIAL CUSTOMERS</u>

Q. WHAT TOPICS ARE ADDRESSED IN THIS SECTION OF YOUR TESTIMONY?

A. The following section addresses the following topics:

- The amount § 16-245o(m) accounts have paid versus the amount the same accounts would have paid if on standard service;
- The impact of placing § 16-245o(m) accounts on standard service;
- Any other information that will assist the Authority in reviewing the feasibility, costs, and benefits of possibly switching §16-245o(m) accounts to standard service.

Q. DO HARDSHIP AND NON-HARDSHIP RESIDENTIAL CUSTOMERS IN CONNECTICUT HAVE AN OPPORTUNITY TO SAVE MONEY WITH COMPETITIVE SUPPLIER OFFERS?

A. Yes. So far, I have discussed the comparison of supplier billed prices for customers enrolled on supplier service to the EDCs' standard service rates. However, to properly assess the value of retail competition to consumers, it is useful to also examine the ***opportunity*** that customers have to save by actively shopping. To do this, I will examine available retail supplier offers and compute the potential savings available to customers if they elected these offers.

Q. DOES MS. BALDWIN'S TESTIMONY IGNORE ANY CONSIDERATION OF AVAILABLE SAVINGS TO CONSUMERS FROM RETAIL SUPPLIER OFFERS?

A. Yes. Ms. Baldwin, on behalf of the OCC, argues that a consideration of hypothetical savings is "irrelevant to whether the market as it now exists operates to the benefit or to the harm of consumers."[18] I would note that Ms. Baldwin herself devotes considerable attention to the analysis of hypothetical savings. The OCC's testimony focuses on a hypothetical scenario in which certain customers are placed onto standard service. This hypothetical is flawed for reasons to be discussed later in my testimony, such as failure to account for the price stability benefits of fixed rate supplier products, failure to account for the value of bundled products and services that may be included, and failure to account for the fundamental differences between supplier service and EDC-provided standard service. However, more important to note is that Ms. Baldwin's hypothetical compares a scenario in which hardship customers have made an affirmative choice to a scenario in which this choice is removed and replaced with a regulatory mandate that restricts such customers to only one option in the marketplace. Accordingly, it is appropriate to examine the opportunity cost associated with the removal of this choice.

Q. HOW MUCH AVAILABLE SAVINGS WOULD BE LOST FOR HARDSHIP CUSTOMERS IF THEY ARE RESTRICTED TO STANDARD SERVICE?

I have calculated that statewide available savings to hardship customers is $2.8 million for a three-month period (April, May, June 2019). I am presenting the total savings

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[18] Testimony of Susan M. Baldwin at 59.

amount for a three-month period because that was the remainder of the current standard service pricing period as of late March 2019 at the time I reviewed the lower-priced supplier offers used in this analysis.

Table RJH-4 Available Savings to Hardship Customers		
	Eversource	UI
Current EDC Standard Service Rate (eff. 1/1/19 through 6/30/19	$ 0.10143	$ 0.11226
Lowest fixed supplier rate with minimum 6 month term and no cancellation fee	$ 0.07670	$ 0.07870
Available Savings per kWh	$ 0.02473	$ 0.03356
% Difference	24.38%	29.90%
Monthly Average kWh Usage for Hardship Customer	692.00	708.00
Monthly $ Savings for Typical Hardship Customer	$ 17.11	$ 23.76
Count of Hardship Customers on Standard Service (as of September 2018)	37,481	12,617
Available Savings per month for Standard Service Hardship Customers	$ 641,418.35	$ 299,812.77
Available Savings for 3 month period	$ 1,924,255.05	$ 899,438.32
Statewide Total Available Savings	**$ 2,823,693.37**	
Sources:		
Supplier offers extracted from CT Rate Board on 3/26/2019.		
Offers included above are for Town Square Energy and include no enrollment fees, no monthly fees and no cancellation fee.		
Eversource Offer:		
https://townsquareenergy.com/find-rates/?state_code=CT&utility=CLP&customer_type=Residential		
UI Offer:		
https://townsquareenergy.com/find-rates/?state_code=CT&utility=UI&customer_type=Residential		
Average monthly usage for hardship customers taken from Testimony of Susan M. Baldwin, footnote 27		
Customer counts taken from Exh. SMB-2, which was based on EDC responses to OCC-012 and OCC-013		

Q. HOW MUCH IS THE AVAILABLE SAVINGS AMOUNT PER CUSTOMER FOR THE THREE-MONTH PERIOD?

A. As shown in the table above (Table RJH-4), the available savings per month is $17.11 for Eversource hardship customers and $23.76 for UI hardship customers. For a three-month period that amounts to $51.33 and $71.28 per customer.

Q. HAVE YOU CALCULATED THE AVAILABLE SAVINGS FOR NON-HARDSHIP CUSTOMERS?

A. Yes. As shown in Table RJH-5, the available savings for non-hardship customers is over $55 million for a three-month period.[19]

Table RJH-5 Available Savings for Non-Hardship Customers		
	Eversource	**UI**
Current EDC Standard Service Rate (eff. 1/1/19 through 6/30/19	$ 0.10143	$ 0.11226
Lowest fixed supplier rate with minimum 6 month term and no cancellation fee	$ 0.07670	$ 0.07870
Available Savings per kWh	$ 0.02473	$ 0.03356
% Difference	24.38%	29.90%
Monthly Average kWh Usage for Hardship Customer	737.00	676.00
Monthly $ Savings for Typical Non-Hardship Customer	$ 18.22601	$ 22.68859
Count of Non-Hardship Customers on Standard Service (as of September 2018)	768,651	198,173
Available Savings per month for Standard Service Non-Hardship Customers	$ 14,009,440.81	$ 4,496,265.55
Available Savings for 3 months period	$ 42,028,322.44	$ 13,488,796.65
Statewide Total Available Savings	**$ 55,517,119.09**	
Sources:		
Supplier offers extracted from CT Rate Board on 3/26/2019.		
Offers included above are for Town Square Energy and include no enrollment fees, no monthly fees and no cancellation fee.		
Eversource Offer:		
https://townsquareenergy.com/find-rates/?state_code=CT&utility=CLP&customer_type=Residential		
UI Offer:		
https://townsquareenergy.com/find-rates/?state_code=CT&utility=UI&customer_type=Residential		
Average monthly usage for customers taken from Testimony of Susan M. Baldwin, footnote 27		
Customer counts taken from Exh. SMB-2, which was based on EDC responses to OCC-012 and OCC-013		

[19] The total potential savings for non-hardship customers is much larger because of the greater number of non-hardship accounts.

Q. PLEASE DESCRIBE YOUR METHODOLOGY FOR THIS CALCULATION AND THE SUPPLIER OFFER THAT YOU SELECTED FOR THE COMPARISON.

A. As of late March 2019, I reviewed supplier offers posted to the official Connecticut Rate Board, which is available at https://www.energizect.com/compare-energy-suppliers. For each EDC territory, I selected the lowest supplier offer price for a fixed term product with a minimum 6-month term. I chose a 6-month term because this is the term of the standard service rate (effective 1/1/19 to 6/30/19). The offer I selected was a 7-month fixed price plan from Town Square Energy which was available to Eversource customers. The analogous offer for UI customers was also from Town Square Energy, but was for a 6-month fixed price plan. I also confirmed that the selected offers had favorable product features, including no cancellation fee, no enrollment fee and no monthly service fees. I then compared this supplier offer to the current standard service rate to derive total dollar-per-kWh and dollar-per-month savings amounts associated with the supplier offer. Using customer count and average consumption information for hardship and non-hardship customers from this proceeding,[20] I calculated a total savings amount for a 3-month period. The total available savings amounts included in the tables demonstrate the available savings to existing standard service customers if they all switched to the

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[20] Customer counts were taken from Exhibit SMB-2 in the Testimony of Susan M. Baldwin. The customer counts are from September 2018. The EDCs have supplied more recent supplier pricing data in response to RESA-EDC-37; however, the UI response to RESA-EDC-37 did not include counts for standard service hardship customers. Accordingly, I used September 2018 customer counts from SMB-2 for both EDCs. Average kWh consumption values were taken from footnote 27 of the Testimony of Susan M. Baldwin.

comparable, lowest priced supplier offer. The amounts would be larger if existing shopping customers were also included.

Q. HAVE YOU CONSIDERED HOW THE LEVEL OF SAVINGS DEMONSTRATED MIGHT CHANGE AFTER THE NEXT STANDARD SERVICE RATE ADJUSTMENT?

A. I acknowledge that the amount of savings calculated above would differ once the standard service rate changes again in July. However, I would note that the offers used in this calculation are also below the new standard service rates that have recently been announced by Eversource and UI. Furthermore, a customer enrolled on this supplier product would be free to return to standard service or switch to another, more attractive supplier rate. As I noted above, there are no cancellation fees associated with the supplier offer used in the calculation. In this regard, the right to choose itself is an exercisable option that has intrinsic value regardless of the price difference relative to some other option. This value should not be casually dismissed.

Q. IS THE LOWER-PRICED SUPPLIER OFFER USED IN THE ABOVE CALCULATION AN ANOMALOUS OR UNUSUALLY LOW OFFER?

A. No. While, the offer I selected was the lowest for the stated criteria, it was not an outlier. In late March, there were 51 supplier offers available in the Eversource territory with prices below the then-current standard service rate. For UI, there were 60 offers with prices below the standard service rate. These supplier offers include a range of products, including fixed price options with terms up to 36 months, 100% renewable energy options, and other benefits. Many of these offers include favorable terms such as no cancellation fee and no enrollment or monthly fees.[21]

Q. DO YOU HAVE INFORMATION ON THE HISTORIC AVAILABILITY OF SUPPLIER OFFERS BELOW THE STANDARD SERVICE RATE?

A. Yes. In January 2018, RESA began preparing monthly available savings reports using a methodology similar to what I used above. These reports were prepared for RESA by Intelometry, a consultant with expertise in rate analysis in competitive energy markets. I have reviewed the reports for the months of January 2018 through February 2019. These reports confirm my conclusion that there are typically supplier offers available that provide an opportunity for significant savings relative to the standard service rate. The Connecticut-specific information from these reports is included as Exhibit RJH-2.

Q. WHAT DO YOU CONCLUDE FROM THIS ANALYSIS?

A. I conclude that removing customer choice carries a high opportunity cost when considering the potential savings available to customers from retail supplier offers. A proactive customer can easily avail themselves of these savings opportunities. I also conclude that a myopic focus on standard service as the "best" or "lowest priced" option for customers is misplaced. As demonstrated above, competitive offers present consumers with enormous savings potential and are often the lowest cost option available. The OCC's testimony places great emphasis on the $7.2 million amount of

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[21] 15 of the offers for Eversource customers and 16 of the offers for UI customers were for prices below the January to June 2019 standard service rate and also included no cancellation fee, no monthly fee and no enrollment fee. Based on offers extracted from the CT Rate Board as of March 26, 2019.

supplier charges in excess of standard service rates for hardship customers.[22] That translates to approximately $300,000 per month.[23] The OCC's remedy for this perceived harm to customers is to remove the opportunity to choose a supplier for all hardship customers. However, as I've illustrated above, the cost of removing this choice is a lost opportunity for savings of $933,000 per month, or more than three times as much.[24]

Q. ARE THERE OTHER BENEFITS TO CONSUMERS ASSOCIATED WITH MAINTAINING THE OPTION TO CHOOSE?

Yes. Maintaining a robust competitive retail market preserves optionality for consumers, which in the long-run can serve as a hedge against cyclical market changes and disruptive market events. As PURA is no doubt aware, energy markets are cyclical, exhibit volatility, and can experience disruptive and anomalous events like the 2014 Polar Vortex, the similar extreme cold that occurred in winter 2015, the 2007/2008 financial crises, and natural disasters. The pricing impacts of these events affect all market participants and influence standard service and supplier prices alike. However, individual retail suppliers engage in different wholesale procurement strategies and hedge power at different times and in different ways. The diversity of these business practices can allow some suppliers to be more competitive versus others and the standard service rate at different points in time. Consumers benefit from this diversity when there are volatile increases in standard service rates because some suppliers are able to present alternatives to such price increases. The OCC acknowledged as much in 2015 following one of the

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[22] Testimony of Susan M. Baldwin at 4.

[23] $7.2 million divided by the 24 months in the review period.

[24] $2.8 million in available savings for a three month period (from Table RJH-4) divided by three.

most significant standard service rate hikes in recent years. On January 1, 2015, Eversource's residential rate increased from 9.99 cents per kWh to 12.629 cents per kWh (a 27% increase) while UI's increased from 8.67 cents per kWh to 13.3108 cents per kwh (a 53% increase). At the time, the OCC issued a press release advising customers of the availability of 24 fixed rate offers from competitive suppliers below 10 cents per kWh.[25]

V. THE FUNDAMENTAL FLAWS OF RELYING ON PRICE COMPARISONS TO ASSESS THE VALUE OF THE COMPETITIVE RETAIL MARKET

Q. WHAT TOPICS ARE ADDRESSED IN THIS SECTION OF YOUR TESTIMONY?

A. The following section addresses the following topics:

- The amount § 16-245o(m) accounts have paid versus the amount the same accounts would have paid if on standard service;
- The impact of placing § 16-245o(m) accounts on standard service;
- Any nonmonetary value the § 16-245o(m) accounts have received while being serviced by a supplier; and
- Any other information that will assist the Authority in reviewing the feasibility, costs, and benefits of possibly switching §16-245o(m) accounts to standard service.

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25 https://www.ct.gov/occ/lib/occ/things_to_consider_when_deciding_if_you_should_stay_on_standard_service02042015.pdf.

Q. ARE PRICE COMPARISONS BETWEEN RETAIL SUPPLIER PRODUCTS AND THE STANDARD SERVICE RATE AN APPROPRIATE WAY TO ASSESS THE VALUE OF THE COMPETITIVE ENERGY MARKET IN CONNECTICUT?

A. I readily acknowledge the importance that many consumers place on price and total cost when evaluating and comparing different products and services. I also understand why it is very tempting for regulators and industry observers to apply such metrics on a larger scale for all customers or certain groups of customers when assessing whether retail energy competition benefits consumers. However, I would caution against placing too much emphasis on this metric when deciding on such a fundamental question like whether to end customer energy choice for a class of customers.

Q. ARE HIGHER PRICES EVIDENCE OF CONSUMER HARM?

A. No. I realize that this may sound counterintuitive. However, a higher price is not necessarily evidence of consumer harm. In fact, data across multiple industries shows that consumers freely choose more expensive options when making their everyday buying decisions. I recognize that electricity is viewed as an essential service, which I will speak to later. However, I believe it is useful to consider examples from other industries in order to place the energy choice policy issues in this proceeding into context. For example, Starbucks maintains a nearly 40% market share, which is more than double that of Dunkin Donuts, its closest competitor.[26] Yet Starbucks charges about 11% more than Dunkin Donuts and more than twice than McDonald's for a regular cup of coffee.[27]

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[26] https://www.statista.com/statistics/250166/market-share-of-major-us-coffee-shops/.

[27] https://www.theatlas.com/charts/Hk1dECxBQ.

Similarly, Verizon Wireless and AT&T are the dominant players among mobile telecommunication carriers with a combined market share of 67%.[28] But they also demand higher prices than T-Mobile or Sprint.[29] Every new model of Apple's iPhone is wildly popular despite a price tag that is five to seven times more than an entry level smart phone. Does this mean that millions of customers are being fleeced with their daily caffeine fix or monthly cell phone bill? No, it's evidence of a healthy market where consumers freely choose to pay more for something of value, whether it's a more reliable data network or a better tasting cup of coffee. Contrary to the presumption in the OCC's testimony, electricity service offers similar opportunities for product and service differentiation.

Q. IS CONSUMER BUYING BEHAVIOR IN THE HOME MORTGAGE INDUSTRY ANOTHER EXAMPLE OF CONSUMERS FREELY CHOOSING TO PAY MORE, RELATIVE TO A LOWER COST ALTERNATIVE?

A. Yes. Consumers overwhelmingly prefer fixed rate mortgages to adjustable rate mortgages. For example, the recent (as of May 1, 2019) weekly mortgage applications survey from the Mortgage Bankers Association shows that only 6.2 percent of new mortgage applications are for adjustable rate loans.[30] However, the interest rate for a fixed rate mortgage is 19 percent higher on average than a 5/1 adjustable rate mortgage.[31] It is interesting to compare this to the supplier pricing deltas analyzed in OCC's

[28] https://cbpp.georgetown.edu/sites/default/files/Policy%20Paper%20-%20Kovacs%20-%20Wireless%20Competition%202018-08.pdf.

[29] https://www.fiercewireless.com/wireless/how-verizon-at-t-t-mobile-sprint-and-more-stacked-up-q2-2018-top-7-carriers.

[30] https://www.mba.org/2019-press-releases/may/mortgage-applications-decrease-in-latest-mba-weekly-survey.

[31] See Table RJH-6.

testimony: 20 percent delta statewide (22 percent delta for Eversource and 19 percent delta for UI hardship customers).[32] Mortgage consumers appear to be quite content paying a similar price delta for the stability of a fixed rate mortgage. Yet, Ms. Baldwin casually dismisses the notion that fixed price energy contracts can provide benefits to Connecticut hardship customers.[33] Why should a 20 percent price delta for electricity, which translates into an average monthly price difference of $11.93[34] be considered prima facie evidence of consumer harm, when paying a similar price delta for a fixed price mortgage, which translates into a $120 per month cost difference in interest,[35] be considered a prudent customer choice?

Table RJH-6	
2018 Avg Spread (Rate Difference between 30-yr fixed and 5 yr. ARM)	0.72
2018 Avg 30 yr. fixed	4.54
2018 Avg 5 yr. ARM	3.82
Percent Diff. Fixed Rate vs 5 yr. ARM	19%
Source: FreddieMac Mortgage Survey http://www.freddiemac.com/pmms/	

[32] Direct Testimony of Susan M. Baldwin at 18.
[33] Direct Testimony of Susan M. Baldwin at 62.
[34] From Table SMB-4 in Direct Testimony of Susan M. Baldwin at 18.
[35] Assuming a $200,000 mortgage amount and the 0.72 interest rate premium from Table RJH-6.

Q. HOW DO YOU RESPOND TO THE ARGUMENT THAT ELECTRICITY PRICE DIFFERENCES ARE UNACCEPTABLE BECAUSE ELECTRICITY IS AN ESSENTIAL SERVICE?

A. I recognize that electricity is an essential service that consumers depend upon. However, there are examples of other important products and services that arguably fall into the same category but for which we generally accept as a given that there will be a wide range of market prices. Food is a prime example. Arguably, nothing except air or water is more essential than food. However, it is generally accepted that consumers demand variety and product differentiation for food and are willing to pay substantial price differences for certain characteristics of value. The surging demand for organic food is a perfect example. The chart below shows the retail price delta for different categories of organic food items as reported by the USDA Economic Research Service.[36] I would note that the percentage price difference for 16 of the 17 food categories shown below exceed the average energy supplier price difference (20 percent) depicted in OCC's testimony.[37] I would further note that the average household spend for food for a low-income household is $4,070 as reported by the USDA.[38] Thus, a consumer incurring even a 10 percent price difference for organic food would experience a higher monthly cost difference ($407 divided by 12=$33.92) than the average supplier electricity price difference shown in OCC's testimony ($11.93 as shown in Table SMB-4).

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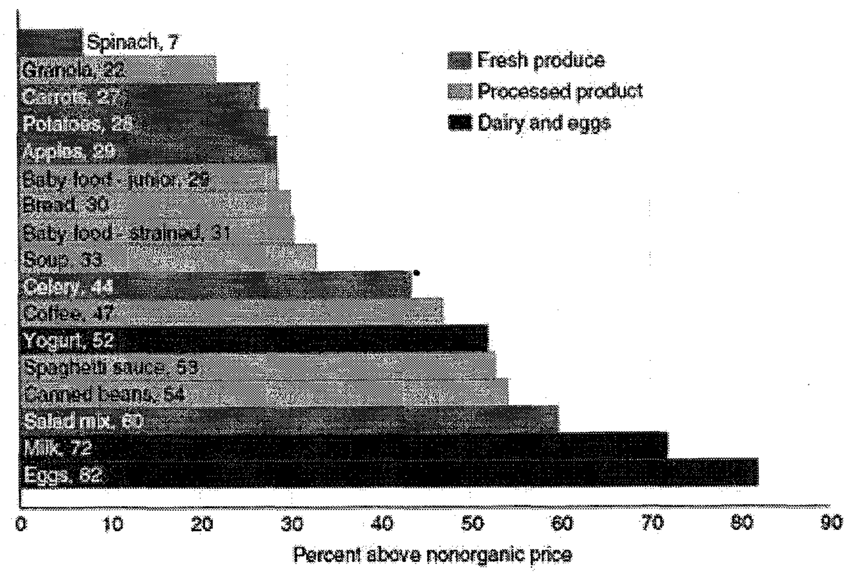
[36] https://www.ers.usda.gov/amber-waves/2016/may/investigating-retail-price-premiums-for-organic-foods/.

[37] Statewide supplier price difference as shown in Table SMB-4 in Testimony of Susan M. Baldwin at 18.

[38] https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/food-prices-and-spending/.

Figure RJH-1 Organic Food Price Differences



Source: USDA, Economic Research Service using 2010 Nielsen Homescan data.

Q. DO HARDSHIP CUSTOMERS FREQUENTLY MAKE PURCHASE DECISIONS FOR A RANGE OF CONSUMER PRODUCTS AND SERVICES?

A. Yes. Connecticut consumers, including hardship customers, routinely make everyday purchase decisions for many products and services. These purchase decisions are for common items such as food, clothing, consumer goods, electronics, etc., but also include more complex products and services such as insurance products, lease or rental agreements, home mortgages, financial services, television or other entertainment subscriptions, mobile phone, internet and other telecommunication services. While shopping for electricity service remains a relatively new phenomenon due to the decades long monopoly structure for the industry, the shopping process for electricity is no more complex than these other every day purchase decisions that hardship customers are accustomed to making.

Q. IS HOME HEATING OIL ANOTHER EXAMPLE OF AN ESSENTIAL SERVICE FOR WHICH CUSTOMERS MUST MAKE COMPETITIVE MARKET PURCHASE DECISIONS?

A. Yes. In Connecticut, home heating oil prices are not economically regulated. Customers relying on heating oil must make purchase decisions around when to resupply, what quantity to purchase and from which supplier. Home heating oil prices vary over time and from supplier to supplier. For example, the April 29, 2019 DEEP Heating Oil Regional Price Survey shows a high price of $4.599 per gallon, which is 81 percent higher than the low price of $2.540 per gallon.[39]

Q. ARE THERE A RANGE OF CONSUMER PROTECTIONS CURRENTLY IN PLACE FOR HARDSHIP CUSTOMERS?

A. Yes. As previously mentioned, hardship customers engage in competitive market purchase decisions for a range of different products and services. In comparison to most other products, the market for competitive electricity supply in Connecticut offers significant price transparency and consumer protections. First, is the existence of standard service as an always-available alternative. This is a unique feature to the electricity market. Customers who are dissatisfied with their chosen electricity supplier can switch to standard service at any time and the switch will be implemented by the EDC within three business days. Customers may be subject to an early termination fee if one is included in the supplier's contract, however such fees are capped at $50, which is another notable consumer protection. Customers also benefit from significant price

[39] https://www.ct.gov/deep/lib/deep/energy/shopp_survey/ct_heating_oil_regional_retail_prices.pdf.

transparency when comparing electricity providers. The CT Rate Board allows customers to compare prices between standard service and all "generally available" current supplier options. I recognize that not all customers have internet access. However, recent data shows that internet use continues to increase for low income households, senior citizens, and among minority groups.[40] Customers also have the ability to compare their supplier price to the standard service rate on their monthly electricity bill.[41] Customers also benefit from extensive marketing, sales and enrollment regulations. Notably, customers receive a standardized contract summary that must include pertinent contract details such as price, term, cancellation fees, etc. Customers have a three-business day right of rescission period to cancel a new electricity supply contract without penalty. Suppliers must also provide advance notice to customers between 30 to 60 days prior to a supplier price change. These and other regulations provide substantial protections for Connecticut's residential customers, including hardship customers.

Q. PLEASE CONTINUE.

A. I understand the desire to protect hardship consumers from excessive pricing. However, Connecticut has chosen to adopt a free market for electricity supply service and for a market to properly function, pricing and product differentiation must be allowed to take place. Imagine if a regulator stepped in to protect consumers from perceived excessive pricing in some of the examples discussed above. For example, what if the Federal Communication Commission attempted to switch all of Verizon's customers to T-Mobile

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[40] https://www.ntia.doc.gov/blog/2018/new-data-show-substantial-gains-and-evolution-internet-use.

[41] https://www.energizect.com/compare-energy-suppliers/get-started.

because T-Mobile is cheaper? Or if the Federal Reserve attempted to force all homeowners to switch to adjustable rate mortgages? Or if Congress attempted to ban organic food? These would be deemed extreme and drastic interventions in the normal functioning of these markets that very likely would fail to survive public scrutiny.

Q. ARE THERE ALSO INHERENT COMPETITIVE ADVANTAGES FOR STANDARD SERVICE THAT EFFECTIVELY TILT THE PLAYING FIELD WHEN COMPARING SUPPLIER PRICES TO STANDARD SERVICE RATES?

A. Yes. First, standard service rates are subject to EDC cost reconciliation. To the extent the EDC fails to fully recover its costs during one period, the EDC has the ability to reconcile rates and account for the undercollection in a future period. Suppliers do not have this ability and must reflect all costs in contracted rates. Second, there are likely significant costs associated with the provision of standard service that have not been fully allocated to bypassable standard service rates. Because the EDCs provide both fully regulated distribution service and standard service, certain costs that are related to the supply function may be improperly recovered through distribution rates. The EDCs' costs associated with customer care, credit and collections, information systems, general overhead and personnel, collateral costs, consulting/legal fees, certain ISO costs, etc. are very likely fully recovered through distribution rates and other non-bypassable charges that all customers, shopping and non-shopping, must pay. To the extent this is the case, the standard service rates against which suppliers must compete and against which suppliers are being judged, are artificially low. I recognize that this question presents difficult and complex issues around cost allocation. However, if suppliers are to be judged on a simplistic price comparison standard, it is important to examine these questions and consider the basic differences between the retail supplier business model and the quasi-regulated standard service model. The reality is that retail suppliers must account for all operating costs (as well as shareholder expectations for a return) in rates charged to customers whereas standard service rates are the result of utility cost accounting, subject to these difficult cost allocation questions.

VI. <u>RETAIL SUPPLIERS OFFER A RANGE OF VALUE PROPOSITIONS BEYOND PRICE: QUANTIFYING THE BENEFITS OF VALUE-ADDED COMPONENTS</u>

Q. WHAT TOPICS ARE ADDRESSED IN THIS SECTION OF YOUR TESTIMONY?

A. The following section addresses the following topics:

- Any nonmonetary value the § 16-245o(m) accounts have received while being serviced by a supplier; and
- Any other information that will assist the Authority in reviewing the feasibility, costs, and benefits of possibly switching §16-245o(m) accounts to standard service.

Q. PLEASE SUMMARIZE MS. BALDWIN'S TESTIMONY REGARDING THE NON-MONETARY BENEFITS OF RETAIL SUPPLIER OFFERS.

A. Generally, Ms. Baldwin dismisses the notion that retail supplier products and services can offer consumers additional benefits that may not be readily apparent from a simple review of supplier prices relative to standard service rates. Ms. Baldwin specifically questions the value of supplier offers including gift card promotions, renewable energy content, and price stability.[42]

[42] Testimony of Susan M. Baldwin at 62-64.

Q. DO SUPPLIER PRODUCTS AND SERVICES OFFER CUSTOMERS A RANGE OF VALUE PROPOSITIONS THAT PRESENT BOTH MONETARY AND NON-MONETARY BENEFITS?

A. Yes. Despite Ms. Baldwin's blanket dismissal of various retail supplier value propositions, there is significant evidence that the retail choice market presents Connecticut consumers with a range of products and services. As I will discuss in this section of my testimony, retail suppliers offer customers significant value through:

1. Fixed price contacts that provide price stability and protect customers from the rate volatility associated with standard service
2. Renewable energy products
3. Enrollment incentives and customer loyalty programs
4. Bundled non-energy related products and services
5. Bundled energy-related products and services that can offer opportunities for usage reductions and total bill savings

Q. DO RETAIL SUPPLIERS OFFER CUSTOMERS PRICE STABILITY THROUGH FIXED PRICE CONTRACTS?

A. Yes. Retail suppliers offer numerous fixed price options that provide consumers with price stability beyond the six-month standard service pricing period. I have reviewed the available offers listed on the official Connecticut rate board and present the number of fixed price offers for various term lengths in the tables below. The vast majority of posted offers provide for fixed price terms of six-months or longer: 85% for Eversource and 84% for UI. Additionally, 71% of Eversource offers and 73% of UI offers are for terms of 12 months or greater.

Table RJH-7		
	Eversource	**UI**
Total # of offers	84	81
# of fixed price offers with term greater than 6 months	71	68
# of fixed price offers with term greater than 6 months and price below current standard service rate	44	48
# of fixed price offers with term 12 months or greater	60	59
# of fixed price offers with term 36 months or greater	9	8
Source: www.energizect.com Supplier offers downloaded on 3/26/2019, included as Exhibit RJH-3		

Q. DO YOU HAVE INFORMATION ON THE ACTUAL NUMBER OF HARDSHIP CUSTOMERS ENROLLED ONTO SUPPLIER CONTRACTS WITH VARIOUS FIXED PRICED TERMS?

A. No. However, I would note that Connecticut has eliminated "new" variable rates for residential customers.[43] By statute, as of October 1, 2015 retail suppliers must only enroll or renew residential customers onto contracts that have fixed rates for a minimum of four billing cycles. Although the minimum term is four months, as noted above, most supplier offerings for new customers are for terms of six months or greater. Accordingly, it is likely that most hardship customers have fixed price supplier contracts with terms that are equal to or greater than the term of the standard service pricing period.

[43] The variable rate ban only prohibited new enrollments or renewals onto a variable rate. Existing customers on month-to-month variable contracts were permitted to continue on such products.

Q. ARE STANDARD SERVICE RATES VOLATILE?

A. Yes. As discussed previously in my testimony, standard service rates have exhibited significant price changes. Below are the historical standard service rates for Eversource and UI in chart form from January 2008 to January 2019.[44] I would specifically note the significant price increases that took effect on January 1, 2015 and January 1, 2019. Below I also present the highest and lowest standard service rates during the last five years.

Figure RJH-2 Eversource and UI Standard Service Rates 2008 to 2019

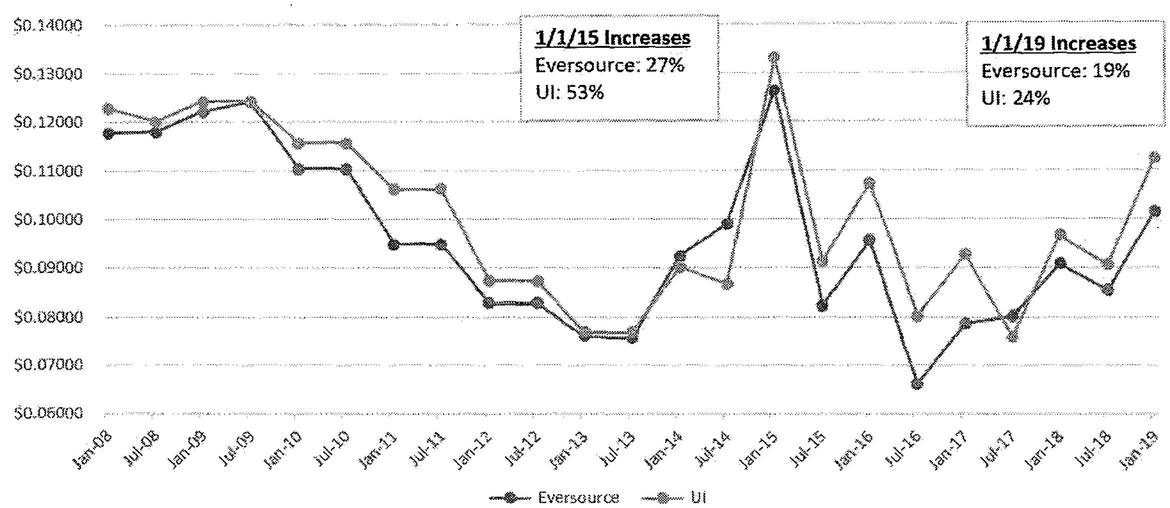

Table RJH-8		
	Eversource	**UI**
5 Year High Rate	$ 0.12629	$ 0.13311
	Eff. 1/1/2015 to 6/30/2015	Eff. 1/1/2015 to 6/30/2015
5 Year Low Rate	$ 0.06606	$ 0.075998
	Eff. 7/1/2016 to 12/31/2016	Eff. 7/1/2017 to 12/31/2017
% Difference (5YR High div. by 5YR Low)	191%	175%

[44] Source: Eversource and UI responses to RESA-008.

Q. DO FIXED PRICE SUPPLIER CONTRACTS OFFER CUSTOMERS PRICE STABILITY BENEFITS?

A. Yes. Price stability is a real and tangible benefit. This is especially true for hardship customers, many of whom likely have limited financial resources and are less able to manage fluctuations in monthly utility costs. Retail suppliers offer contracts with fixed price terms ranging from 4 months up to 36 months. A customer on a long-term fixed rate plan is protected from significant and unforeseen increases in wholesale energy prices. In a rising price environment such fixed price plans can offer significant price protection relative to standard service rates. However, even if future wholesale market prices turn out to be less than prices in effect at the time the customer enters into the contract, customers still benefit from the "price insurance" provided by the fixed price supplier contract even if this price exceeds the standard service rate at some point in time.

Q. PLEASE RESPOND TO MS. BALDWIN'S TESTIMONY DISMISSING THE VALUE OF FIXED PRICE SUPPLIER CONTRACTS?

A. Ms. Baldwin casually dismisses the value of price stability stating: "If signing contracts causes customers to lose money, I am at a loss to understand why the stability of high prices provides a benefit to the state's hardship customers."[45] This logic is entirely misplaced. Essentially, this logic assumes that no product or service offers value unless it results in the lowest absolute cost relative to any other hypothetical scenario. Using this same logic, no insurance product offers value to consumers unless a customer's claims reimbursements were to exceed the total cost of insurance premiums. Home owner's

[45] Testimony of Susan M. Baldwin at 64.

insurance would be considered a "loss" for most customers because most policy holders never experience a significant catastrophe. A fixed rate mortgage would be a waste of money because the interest rates are higher than adjustable rate mortgages. A home security service offers no value unless it definitively thwarts an attempted break-in and prevents theft or damage exceeding the cost of the system and monitoring service. An extended warranty or appliance repair plan offers no value unless the appliance breaks down and the repair costs exceed the cost of the warranty. Yet, clearly consumers see value in fixed rate financial products, home owners insurance, health insurance, car insurance, home security services, extended warranties, replacement plans, roadside assistance plans, and any number of other products and services. These products are all built around the idea that consumers value "peace of mind." The same is true for fixed price energy contracts.

Q. HAVE CONNECTICUT POLICYMAKERS ACKNOWLEDGED PRICE STABILITY AS A BENEFIT IN ADOPTING VARIOUS ENERGY MARKET POLICIES?

Yes. Various state energy policies have recognized price stability as a benefit for consumers. For example, in early Department of Public Utility Control[46] decisions implementing the framework for standard service procurement, price stability was recognized as one of the basic criteria to be considered in developing standard service procurement plans: "Procurement should be conducted in a manner to cost-effectively

[46] PURA was formerly known as the Department of Public Utility Control ("DPUC").

promote price consistency and stability and minimize revenue requirements."[47] Additionally, in banning new variable supplier rates for residential customers,[48] the Connecticut legislature has promoted price stability.

Q. CAN YOU EXAMINE MORE SPECIFICALLY THE BENEFITS ASSOCIATED WITH A PARTICULAR SUPPLIER FIXED RATE PRODUCT?

A. Yes. One supplier, Constellation Energy, has been offering a 36-month fixed rate plan to Connecticut customers. As of late March 2019, Constellation offered this plan to Eversource customers at a rate of $0.0959 per kWh.[49] It appears that this offer was also available at the same price to customers in late 2018, before the recent standard service rate increase became effective.[50]

Q. HOW DID THIS 36-MONTH FIXED PRICE COMPARE TO THE STANDARD SERVICE RATES IN EFFECT DURING DECEMBER 2018?

A. The Constellation 36-month plan price of $0.0959 per kWh was 12.4% higher than the December 2018 Eversource standard service rate of $0.08530 per kWh.

Q. HOW DOES THIS OFFER COMPARE TO THE JANUARY TO JUNE 2019 SERVICE RATES?

A. The Constellation 36-month plan price of $0.0959 per kWh was 5.4% lower than the January to June 2019 Eversource standard service rate of $0.10143 per kWh.

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[47] Final Decision adopted on June 21, 2006 in DPUC Development and Review of Standard Service and Supplier of Last Resort Service Phase I, Docket 06-01-08PH01.

[48] Conn. Gen. Stat. § 16-245o(g)(4).

[49] Price posted for Eversource customer as shown on https://www.energizect.com/compare-energy-suppliers. Website reviewed on March 26, 2019.

[50] A separate price comparison website, www.chooseenergy.com, includes recent price history. This price history shows that the same 36-month fixed price plan was available in December 2018.

Q. HOW DOES THIS OFFER COMPARE TO THE 5-YEAR HIGH STANDARD SERVICE RATE?

A. The Constellation 36-month plan price of $0.0959 per kWh is 24% lower than the 5-year high Eversource standard service rate of $0.1263 per kWh.

Q. HAS THIS CONSTELLATION 36-MONTH FIXED PRICE OFFER BEEN UPDATED SINCE YOU FIRST REVIEWED IT IN LATE MARCH?

A. Yes. The offer price is now lower. It is listed as $0.0909 per kWh as of May 17, 2019.[51] This offer price is 10% lower than the January to June 2019 standard service rate.

Q. WAS THIS SUPPLIER OFFER A REASONABLE OPTION FOR A HARDSHIP CUSTOMER TO CONSIDER IN LATE 2018?

A. With the benefit of hindsight, it certainly would appear to reasonable for a hardship customer considering their options in late 2018 to enroll in this supplier offer that was above the then-current standard service rate. This offer would have protected the customer from the rate increase that took effect on January 1, 2019. Depending on when the customer enrolled, the new standard service rate may or may not have been available for future price comparison purposes. However, even if the customer did not know the upcoming standard service rate, a reasonable person could compare the $0.0959 per kWh supplier offer price to historical standard service rates and reach the conclusion that a higher price is a worthwhile cost for protection against potential price spikes. $0.0959 per kWh certainly seems favorable compared to the 5-year highest rate of $0.1263 per kWh.

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[51] Updated offer price as posted on www.chooseenergy.com for Eversource zip code 06897.

Q. WAS THIS OFFER A REASONABLE OPTION FOR A HARDSHIP CUSTOMER TO CONSIDER IN MARCH 2019?

A. A reasonable person would likely view this offer as an attractive alternative to the January to June 2019 standard service rate, which was higher. Standard service rates had just experienced significant increases,.this supplier offer provided immediate savings and offered three years of price protection.

Q. WHAT DO YOU CONCLUDE FROM THIS EXAMPLE?

A. The above example illustrates how a reasonable customer might view a fixed price supplier offer at different points in time and considering available information on future and current standard service rates. It also demonstrates how a reasonable customer might purposefully decide to enroll on a higher priced supplier product to achieve price stability. Ultimately, these are judgement calls that are best left to the individual consumer to make. But it would be a mistake to reach the general conclusion that paying a price difference for a fixed price contract offers no value.

Q. PLEASE RESPOND TO MS. BALDWIN'S DISCUSSION OF CANCELLATION FEES AND GIFT CARDS.

A. In attempting to dismiss the value of enrollment incentives, such as gift cards, Ms. Baldwin presents a calculation showing the unitized, per kWh value of a $100 gift card under a scenario where a customer leaves a contract early and incurs a $50 cancellation fee. In her example, the per kWh value of the $100 gift card is $0.006. She calculates this by dividing $50 (the net value of the gift card after the termination fee) by one year of kWh consumption of 8,400 kWh. She compares this imputed value of $0.006 per kWh to the statewide weighted average price difference of $0.0171 per kWh for hardship customers served by suppliers.

Q. HOW DOES THIS ILLUSTRATIVE CALCULATION CHANGE IF THE CUSTOMER FULFILLS THE ENTIRE CONTRACT TERM AND AVOIDS THE CANCELLATION FEE?

A. Ms. Baldwin's testimony implies that enrollment incentives such as gift cards cannot account for any meaningful portion of the supplier price differences examined in her testimony. However, under the same set of assumptions, if the customer avoids the termination fee, the imputed value of the $100 gift card doubles to $0.012 per kWh, or 70% of the weighted average supplier price difference mentioned by Ms. Baldwin. The same is true if the customer pays the $50 cancellation fee and switches after six months instead of a year ($50 divided by 4,200 kWh). Accordingly, the unitized value of supplier incentives and other bundled products and services can change significantly based on factors including the monetary value of the included benefit, the customer's usage level and the length of time the customer remains on the supplier's service.

Q. CAN YOU ESTIMATE THE VALUE OF DIFFERENT TYPES OF SUPPLIER ENROLLMENT INCENTIVES?

A. Yes. In the table below, I estimate the per kWh value for various types of enrollment incentives. These are illustrative examples based on my awareness of retail supplier enrollment incentives that have been offered to consumers in various restructured markets. For the Hulu and smart meter examples, I was able to confirm that a

Connecticut supplier actively marketed such products to Connecticut residential customers during the 2016 to 2018 period.[52] In these examples, I have derived an estimated value per kWh for the enrollment incentive under three scenarios. In Scenario 1, I assume that the customer remains on the supplier contract for a 24-month term and pays no cancellation fee. In Scenario 2, I assume a 1-year term and no cancellation fee. In Scenario 3, I assume a 6-month term and payment of a $50 cancellation fee. As shown below, the estimated values of these bundled enrollment incentives vary significantly depending on how long the customer remains with the supplier. However, the value can be quite significant. For example, the value of a 25,000 airline mile incentive can be as high as 6.5 cents per kWh if a customer captures the incentive and changes suppliers after only six months. This amount even factors in the cost of the $50 cancellation fee.

[52] Direct Energy press releases. Nest Offer: http://www.directenergyinsights.com/r/346/direct_energy_brings_comfort___control_plan_with_; Hulu Offer: http://www.directenergyinsights.com/r/408/direct_energy_announces_live_brighter_12___hulu_p.

Table RJH-9 Per kWh Value of Enrollment Incentives					
Incentive	Estimated Monetary Value of Incentive	Per kWh Value Scenario 1 (2 Year Term, no cancel fee)	Per kWh Value Scenario 2 (1-Year Term no cancel fee)	Per kWh Value Scenario 3 (6-mo. term, $50 cancel fee)	Sources/Assumptions
Smart Thermostat	$ 249.00	$ 0.0148	$ 0.0296	$ 0.0474	MSRP of Nest Learning Thermostat https://www.consumerreports.org/products/smart-thermostats/nest-learning-thermostat-203753/price-and-shop/#Price
12 month Hulu subscription	$ 71.88	$ 0.0043	$ 0.0086	$ 0.0052	$5.99 per month for basic Hulu plan. https://www.hulu.com/welcome
25,000 Airline Miles	$ 325.00	$ 0.0193	$ 0.0387	$ 0.0655	$0.013 per mile https://www.valuepenguin.com/how-much-are-airline-miles-worth
Amazon Prime membership	$ 119.00	$ 0.0071	$ 0.0142	$ 0.0164	$119 annual cost for Prime membership www.amazon.com
$100 Rebate/Gift Card	$100.00	$ 0.0060	$ 0.0119	$ 0.0119	N/A
Scenario 1 kWhs (700 multiplied by 24)					16,800
Scenario 2 kWhs (700 multiplied by 12)					8,400
Scenario 3 kWhs (700 multiplied by 6)					4,200

Q. DO ALL SUPPLIER OFFERS INCLUDE CANCELLATION FEES?

A. No. There are typically numerous supplier offers that do not include cancellation fees, including offers with premium renewable energy content, enrollment rewards or other incentives. Additionally, many suppliers will voluntarily waive cancellation fees or allow customers to enroll onto a different rate plan during the contract term as a goodwill or customer retention measure. Accordingly, cancellation fees do not necessarily erode the value of a supplier offer.

Q. ARE THERE OFFERS CURRENTLY AVAILABLE TO CONNECTICUT RESIDENTIAL CUSTOMERS THAT INCLUDE ENROLLMENT INCENTIVES OR OTHER BENEFITS?

A. Yes. I reviewed the official Connecticut rate board, supplier websites and other third-party price comparison websites. There are offers available from suppliers including a wide variety of value-added benefits as shown in the table below. The offer prices for many of these products are less than the January to June 2019 standard service rates.

Table RJH-10 List of Currently Available Supplier Offers with Value Added Benefits	
Value Added Benefit	**Suppliers Offering**
Shopping/dining rewards	Discount Power, CTG&E
50% Renewable Energy	Xoom, Agera
75% Renewable Energy	Viridian
100% Renewable Energy	Constellation, Starion, Clearview, Think Energy, Verde Energy, Liberty Power, Direct Energy, Energy Rewards, Town Square
$100 Rebate Offer	Verde Energy
$50 or $20 gift card offer	Town Square
36 Month Fixed Rate	Constellation, Liberty Power, Public Power, Direct Energy, Town Square
Charitable Contribution	Xoom
Home Automation/Security System Bundle (value $199)	Constellation
$25 Amazon Gift Card plus monthly shopping rewards (up to $100 reward bonus)	Starion
Amazon Echo Bundle	Direct Energy
$75 electric vehicle charger rebate and free weekend charging up to 250 kWh	Clearview

Q. DO RETAIL SUPPLIERS OFFER RENEWABLE ENERGY PRODUCTS IN CONNECTICUT?

A. Yes. According to the official Connecticut rate board, there are 27 supplier offers in Eversource and 28 supplier offers in UI with renewable energy content of 50% or greater.[53] This is in addition to the state minimum renewable portfolio standard ("RPS") requirement of 27.5%.[54]

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[53] Based on a review of available offers listed as of March 26, 2019, https://www.energizect.com/compare-energy-suppliers.

[54] Page 11 of PURA's November 5, 2014 Decision in Docket 13-07-18, PURA Establishment of Rules for Electric Suppliers and Electric Distribution Companies Concerning Operations and Marketing in the Electric

Q. ARE SUPPLIERS' CLAIMS OF RENEWABLE ENERGY CONTENT UNVERIFIED, AS ASSERTED BY MS. BALDWIN?

A. No. Ms. Baldwin generally doubts the veracity of supplier claims of premium renewable energy content.[55] To the contrary, there are several ways for consumers or policymakers to verify the renewable energy content claims made by suppliers. First, customers can read the supplier's terms and conditions or other product documentation for information on the source and content of the renewable energy. Second, there are independent programs, such as Green-E certification, that suppliers can participate in. Green-E is a voluntary, independent certification process that is widely recognized as a reputable and independent authority on verifying renewable energy content claims. There are currently three Connecticut residential electricity suppliers participating in the Green-E certification program.[56] Finally, all suppliers must submit information regarding their voluntary renewable energy products in their annual RPS compliance reports submitted to PURA. In Exhibit D of the RPS report,[57] suppliers must attest to whether they sold products marketed as containing renewable energy percentages beyond the mandatory RPS amounts and they must specify the number of Class I, II or III renewable energy credits ("RECs") used to fulfill these voluntary green product obligations.

Retail Market, provides: "if the minimum RPS is 18%, and the supplier procures RECs [renewable energy credits] that exceed the minimum by 2% the supplier may advertise the offer as '2% renewable beyond mandatory requirement' but not '20% renewable,' or if the supplier procures RECs that exceed the minimum by 82% the supplier may advertise the offer as '82% renewable beyond mandatory requirement' but not '100% renewable.'"

[55] Direct Testimony of Susan M. Baldwin at 63.

[56] Agera Energy, Ambit Energy and Liberty Power are listed as program participants in the Green-E residential programs. https://www.green-e.org/certified-resources.

[57] https://www.ct.gov/pura/lib/pura/electric/annual_ct_renewable_portfolio_standards_filing_-_exhibits_b_c_d.doc.

Q. ARE YOU AWARE OF ANY NATIONAL INFORMATION ON THE AMOUNT OF RENEWABLE ENERGY ATTRIBUTED TO RETAIL SUPPLIERS?

A. Yes. The National Renewable Energy Laboratory ("NREL") produces an annual report analyzing trends in voluntary purchases of green energy. The most recent version of this report shows that, in 2017, competitive suppliers sold about 18.1 million MWhs of renewable energy to about 1.7 million customers across the restructured states that were considered in the analysis.[58] A separate fact sheet from NREL also shows the top ten states for green energy demand as measured by number of customers purchasing voluntary green energy. Notably, seven of the top ten states have restructured electricity markets with full retail choice.[59] These reports also include NREL's estimates of green power customer counts and MWH sales by state and show 35,476 green power customers and 43,557 MWhs of green power sales in Connecticut associated with competitive suppliers.[60] This information supports the conclusion that competitive suppliers can be and are a conduit for fulfilling consumer demand for green energy.

Q. IS IT POSSIBLE TO QUANTIFY THE PER KWH VALUE FOR A SUPPLIER GREEN PRODUCT OFFERING?

A. For residential green energy products, suppliers generally bundle their renewable energy content with the overall supply offer and the price for the renewable content is not typically stated separately. Suppliers also market green energy products sourced through

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[58] https://www.nrel.gov/docs/fy19osti/72204.pdf.

[59] https://www.nrel.gov/docs/fy19osti/72432.pdf. Also included in the top ten is California, which allows for energy choice through community aggregation.

[60] Appendix included with report at: https://www.nrel.gov/docs/fy19osti/72204.pdf.

different procurement methods, different renewable energy types, and from different geographic regions. Accordingly, it is difficult to precisely ascribe a specific incremental price for the renewable content for a particular supplier offer. However, I have attempted to estimate a $ per kWh value for supplier renewable energy content by looking at the published retail price for various green energy options. For example, the table below shows the per kWh price for stand-alone, REC-based renewable energy products marketed by Community Energy and Sterling Planet to Connecticut customers. These suppliers have been approved by PURA to participate in the Connecticut Clean Energy Options program, a program overseen by PURA that allows customers to purchase REC-based voluntary green energy through their Eversource or UI utility bill.[61] The table also includes the average price difference for utility green power options as tracked by NREL. Based on this information, it is reasonable to assume a retail value range for a 100% green energy supplier product between 1.15 and 1.9 cents per kWh.

[61] The Clean Energy Options program was terminated by PURA by a Decision dated December 21, 2016, in Docket No. 10-05-07RE01. However, by a Motion Ruling dated July 11, 2018, in Docket No. 16-12-29, PURA granted an extension of the program through December 2019. Community Energy and Sterling Planet websites continue to advertise these offerings.

Table RJH-11 Value of 100% Green Energy

Provider	Product Description	Price
Community Energy	100% Regional Wind RECs (CT Clean Energy Options)	$0.0130 per kWh
https://www.communityenergyinc.com/products/connecticut-clean-energy		
Sterling Planet	50% Regional Wind + 50% National Wind (Sterling CT Choice)	$0.0115 per kWh
https://sterlingplanet.com/Enroll/UtilityPrograms/Connecticut/Eversource.aspx		
Sterling Planet	100% Green-E Certified National Wind (Sterling Wind)[62]	$0.0150 per kWh
https://sterlingplanet.com/Modules/ProductDetails.aspx?EnrollID=1&PID=1		
N/A (NREL Report)	Overall average residential price difference for utility green programs.	$0.0190 per kWh
https://www.nrel.gov/docs/fy19osti/72204.pdf		

Q. IS THERE EVIDENCE TO DEMONSTRATE THE NUMBER OF HARDSHIP CUSTOMERS ENROLLED ON SUPPLIER GREEN ENERGY PRODUCTS?

A. While I am not aware of any data source that would allow for the identification of the exact number of hardship customers enrolled on a green energy product, there is evidence sufficient to demonstrate that a substantial number of hardship customers were on such products.

[62] The Sterling 100% National Wind product appears to be a separate, nationally offered product that is not part of the CT Clean Energy Options program approved by PURA.

Q. PLEASE EXPLAIN.

A. I am aware of least one supplier that only markets green energy products. Therefore, it is highly likely that all, or a vast majority of this supplier's hardship customers received a green energy product during the October 2016 to September 2018 review period.

Q. WHICH SUPPLIER IS THIS?

A. It is my understanding that Verde Energy markets exclusively 100% green energy products to residential customers. All of Verde Energy's current residential product offerings are identified as 100% green energy based on a retirement of RECs. I also reviewed Verde's 2016 and 2017 Annual Reports as filed with PURA pursuant to Connecticut General Statutes section 16-245p.[63] This compliance filing includes information on all of Verde's active residential products offered in Connecticut during the reporting year. All of the residential products reported by Verde in these reports include the product description "Exceeds minimum RPS by 100%." The accompanying Terms and Conditions included in the compliance filings also indicate that Verde will purchase RECs associated with 100% of the customer's electricity usage.

Q. DID VERDE ENERGY PROVIDE SERVICE TO HARDSHIP CUSTOMERS DURING THE STUDY PERIOD REVIEWED BY THE OCC?

A. Yes. According to Exhibits SMB-4(A) and SMB-4(B) in the OCC's testimony, Verde was among the top six suppliers providing service to hardship customers. Verde was the

[63] 2017 Report: http://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/7412c2eeb997688f852582a400639339/$FILE/CT%20Annual%20Report%2016-245p%202017%20Submitted.pdf; 2016 Report: http://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/e3f0e8933a39463d852582a400639325/$FILE/CT%20Annual%20Report%2016-245p%202016%20Submitted.pdf.

supplier for 30,402 Eversource hardship customer bills and 13,429 UI hardship customer bills during the two-year study period.

Q. WHAT WAS THE WEIGHTED AVERAGE PRICE DELTA FOR VERDE FOR THIS PERIOD RELATIVE TO THE STANDARD SERVICE RATE?

A. According to the same exhibits, Verde's weighted average price delta was 1.98 cents per kWh for Eversource hardship customers and 1.31 cents per kWh for UI hardship customers. As discussed earlier, a reasonable retail value for 100% green energy ranges from 1.15 to 1.9 cents per kWh. Accordingly, Verde's value-added green energy content can explain much if not all, of its weighted average price delta.

Q. DOES VERDE OFFER OTHER BENEFITS IN ADDITION TO ITS 100% GREEN OFFERINGS?

A. Yes. Verde offers a cash back savings or rebate program as an enrollment incentive for new customers. The current value of this rebate is $100 and is structured such that a customer is eligible for a $50 rebate after the first month of service and an additional $50 after six months of service.[64] On a per kWh basis, the value of this rebate would be 1.19 cents per kWh assuming 8,400 kWh of total usage over a 12 month term, or 2 cents per kWh assuming the customer canceled service after collecting the second $50 rebate.[65]

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[64] https://www.verdeenergy.com/wp-content/uploads/2018/03/VerdeEnergy-RebateForm-cb100-w125bleeds.pdf.

[65] $100 divided by 4,900 kWhs (7 months of usage at 700 kWhs per month). This example is based on the assumption that the customer remains with Verde for six months, plus an additional month to allow for rebate processing time.

Q. IF YOU ACCOUNT FOR THE VALUE OF THE GREEN ENERGY CONTENT AND THE CASH BACK REBATE, HOW DOES VERDE'S WEIGHTED AVERAGE PRICE COMPARE TO THE STANDARD SERVICE RATE?

A. As discussed above, the green energy content alone can explain much of Verde's weighted average price delta for hardship customers. However, factoring in the value of the eligible rebates changes Verde's relative weighted average price position from a positive value (reflecting a price above the comparable standard service rate) to a negative value (reflecting a price savings). Many of Verde's product offerings are for fixed price contracts, which present additional benefits not reflected in these unit price comparisons.

Table RJH11
Verde Energy Value-Added Benefits

	Eversource	**UI**
Verde Price Delta for Hardship Customers Over EDC Weighted Average Price	$ 0.01980	$ 0.01310
Estimated Value of Green Content (midpoint of range discussed in prior section: $0.0115 to $0.019 per kWh)	$ 0.01525	$ 0.01525
Estimated Value of Rebate Low (12 month scenario:$100/8400)	$ 0.01190	$ 0.01190
Adjusted Verde Price Delta Factoring in Green Content and Rebate	$ (0.00735)	$ (0.01405)

Q. ARE THERE POTENTIAL ENERGY EFFICIENCY RELATED BENEFITS ASSOCIATED WITH CERTAIN SUPPLIER PRODUCTS?

A. Yes. As mentioned above, one type of supplier product bundle that has previously been available to Connecticut residential consumers is the inclusion of a smart thermostat. In addition to the monetary value of the thermostat itself, a customer who installs the thermostat may experience significant energy usage reductions due to the more efficient management of the customer's heating and cooling system. These energy efficiency gains could reduce the total electricity consumption allowing the customer to save on both distribution and generation service charges. If the customer is a gas customer, there could also be reductions to gas consumption.

Q. WOULD THESE BENEFITS BE REFLECTED IN A COST COMPARISON OF THE SUPPLIER'S PRICE VERSUS THE STANDARD SERVICE RATE?

A. No. These types of energy efficiency related benefits would not be apparent in the type of historical price and cost comparison included in OCC's testimony. This is because the historical analysis looks at dollar amounts and kWh amounts billed by suppliers during the period under review. The analysis then compares the supplier billed amounts to a hypothetical scenario in which the customer received standard service using the same kWh amount as the billing determinant for calculation of the hypothetical standard service cost. However, if the supplier's service included a bundled product that resulted in lower energy consumption, the customer's kWh consumption would have been higher. Accordingly, the OCC's analysis fails to account for any energy efficiency benefits derived from a supplier product or service.

Q. CAN YOU ESTIMATE THE POTENTIAL VALUE OF THESE ENERGY EFFICIENCY RELATED BENEFITS?

Yes. Using a specific supplier offer that was available in early 2016 that included a Nest thermostat, I calculated how the inclusion of the smart thermostat could result in overall energy cost reductions. This analysis is presented in the tables below.

Table RJH-13 (a)			
Standard Service Scenario (No Nest)		**Supplier Bundle Scenario (with Nest)**	
35 months of usage with no smart thermostat reduction (700*35)	24,500	35 months of usage with Nest reduction (585 kWh annual reduction)	22,794
Average Eversource Standard Service Rate March 2016 to January 2019	$ 0.08256	Direct Energy Nest Offer Price (35 Month Term March 2016 to January 2019)	$ 0.09890
Total Standard Service Charges (35 month period)	$ 2,022.83	Supplier Generation Service Charges (Direct Energy Nest Bundle, 35 month period)	$ 2,254.30
Average Eversource Delivery Rate March 2016 to Feb 2019	$ 0.09158	Average Eversource Delivery Rate March 2016 to Feb 2019	$ 0.09158
Total Eversource Delivery Charges (35 month period)	$ 2,243.70	Total Eversource Delivery Charges (35 month period)	$ 2,087.44
Combined Delivery and Standard Service Charges	$ 4,266.52	Combined Delivery and Standard Service Charges	$ 4,341.74
Difference (Standard Service Scenario - Nest Scenario)	$ (75.22)		

Table RJH-13(b)	
Simple Price Difference (Standard Serivce Rate Less Direct Energy Nest Bundle Rate)	$ (0.0163)
35 month Electric Service Cost Difference Based on Simple Price Comparison	$ (400.22)
35 Month Cost Difference Considering Energy Efficiency Impact of Nest Bundle on Electric Costs	$ (75.22)
Average Annual Gas Reduction from Nest (Therms per year)	56.00
Convert to mcf	5.40
Average of 2016 and 2017 CT Retail Natural Gas Price per mcf	$ 13.43
Annual gas cost reduction	$ 72.52
Monthly gas cost reduction	$ 6.04
35 months total gas cost reduction	$ 211.53
Customer Cost Difference Considering Energy Efficiency Impact of Nest Bundle on Total Energy Costs	$ 136.31

Q. PLEASE DESCRIBE THE COMPARISON PRESENTED IN THESE TABLES.

A. The above example is based on a comparison of two hypothetical scenarios. In one scenario, a typical residential customer is served on the Eversource standard service rate for a 35-month period (standard service scenario, no Nest). In the second scenario, the customer is enrolled on a supplier fixed price for 35 months that also includes a Nest thermostat bundled in the supplier's price (supplier bundle scenario, with Nest). The supplier bundle scenario assumes a reduction in electricity consumption resulting from more efficient use of the customer's HVAC system as a result of the included Nest thermostat. Table RJH-13(b) also factors in an assumed reduction in gas consumption.

Q. IS THE SUPPLIER PRICE USED IN THE EXAMPLE AN ACTUAL SUPPLIER OFFER THAT WAS AVAILABLE TO CONNECTICUT RESIDENTIAL CUSTOMERS?

A. Yes. The $0.0989 per kWh 35-month fixed price offer is an actual offer that was marketed by Direct Energy in March 2016.[66]

Q. WHAT IS THE BASIS FOR THE ELECTRICITY USAGE REDUCTIONS ASSUMED IN THIS EXAMPLE?

A. In the standard service scenario, I assumed an average monthly consumption of 700 kWhs, which is roughly in line with the actual average consumption for hardship customers. This translates to 8,400 kWhs per year or 24,500 kWhs for the 35-month period. For the supplier Nest bundle scenario, I reduced the total electricity consumption

[66] Direct Energy Electric Supplier Price Filing Form submitted in Docket No. 06-03-06RE02 on March 11, 2016. http://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/447b1e6a5bafafbf852582b300561949/$FILE/Direct%20Energy%20Residential%20Supplier%20Price%20March%202016%20Filing%203_11_2016.pdf.

by 1,706 kWhs. This is based on an annual usage reduction of 585 kWhs as reported in a published study of actual changes in consumer consumption patterns following installation of a Nest thermostat.[67] In both scenarios, I used the average Eversource distribution rates for residential non-heating customers, factoring in only the per kWh charge components and ignoring the fixed customer charge which is not impacted by consumption levels.

Q. HOW DOES THIS ENERGY EFFICIENCY BENEFIT AFFECT THE TOTAL ELECTRICITY COSTS IN THIS EXAMPLE?

A. First, I would note that if one only considers the supplier price relative to the standard service rate for this hypothetical customer, the customer would have experienced an additional cost $400.22 on the supplier price for the 35-month period. However, if you factor in the electricity reductions achieved through the Nest bundle, this cost difference is reduced substantially, to $75.22, which is only about 30% of the retail value of the Nest.[68] This amount reflects the difference between the combined electricity generation and delivery charges for the two scenarios as seen in Table RJH-13(a).

Q. HOW DOES THE TOTAL COST COMPARISON CHANGE IF YOU ALSO FACTOR IN REDUCED GAS CONSUMPTION?

A. The same study mentioned above also reported average gas savings of 56 therms per year after installation of a Nest. This translates to approximately 5.4 mcf[69] per month or 15.75

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[67] https://nest.com/-downloads/press/documents/energy-savings-white-paper.pdf.

[68] MSRP of Nest Learning Thermostat https://www.consumerreports.org/products/smart-thermostats/nest-learning-thermostate-203753/price-and-shop/#Price.

[69] Based on a conversion rate of 1 mcf=10.37 therms from https://www.eia.gov/tools/faqs/faq.php?id=45&t=8.

mcf for the 35-month period. Using recent Connecticut statewide retail gas prices as published by the U.S. Energy Information Administration ("EIA"),[70] I calculated a gas savings of $211.53 as seen in Table RJH-13(b). Once this gas cost savings is considered, the total energy cost comparison becomes a savings of $136.31. This cost comparison reflects the value of both reduced electricity and natural gas consumption resulting from use of the Nest. In this scenario, the customer also immediately benefits from the retail value of the Nest, which is estimated at $249.[71] This equates to a unitized value of about 1 cent per kWh if amortized over the 35-month contract term.[72]

Q. PLEASE SUMMARIZE YOUR CONCLUSIONS BASED ON THIS DISCUSSION OF SUPPLIER VALUE-ADDED BENEFITS.

A. The discussion above demonstrates how limiting and misleading it can be to rely exclusively on a comparison of supplier prices to standard service rates in assessing the benefits of energy choice for consumers. Ms. Baldwin's testimony heavily emphasizes the supplier price difference for hardship customers. However, her testimony fails to consider that a supplier's price difference may be partially or fully off-set by other value-added attributes. As I've shown above, these non-price attributes can have tangible benefits for consumers:

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[70] I used an average of 2016 and 2017 prices. 2018 prices are not currently listed. https://www.eia.gov/dnav/ng/ng_pri_sum_a_EPG0_PRS_DMcf_a.htm.

[71] https://www.bizjournals.com/columbus/blog/2014/05/direct-energy-to-offer-nest-thermostats-to-new.html.

[72] The unitized per kWh value is $0.0109 when the $249 retail value of the Nest is divided over the reduced consumption amount of 22,794 kWs from Table RJH-13(a). If a customer experiences no consumption reductions, the unitized value of the Nest thermostat is $0.0102 when the $249 retail value of the Nest is divided over the unadjusted 35-month consumption total of 24,500 kWh.

1. Fixed price supplier products can protect customers from volatile standard service rate swings.
2. Supplier offers include enrollment incentives with monetary values ranging from 0.4 cents to over 6 cents per kWh.
3. The green energy content of supplier offers can be valued between 1.15 cents to 1.9 cents per kWh.
4. The cost comparison between standard service and a supplier product can change significantly when factoring in potential energy efficiency benefits, turning an apparent $400 difference to a $136 savings after accounting for energy cost reductions.

VII. PRACTICAL ISSUES ASSOCIATED WITH RESTRICTING HARDSHIP CUSTOMERS TO STANDARD SERVICE

Q. WHAT TOPICS ARE ADDRESSED IN THIS SECTION OF YOUR TESTIMONY?

A. The following section addresses the following topics:

- The impact of placing § 16-245o(m) accounts on standard service;
- Any other information that will assist the Authority in reviewing the feasibility, costs, and benefits of possibly switching §16-245o(m) accounts to standard service.

Q. ARE THERE PRACTICAL AND OPERATIONAL ISSUES TO BE ADDRESSED IF HARDSHIP CUSTOMERS ARE PROHIBITED FROM ENTERING INTO CONTRACTS WITH RETAIL SUPPLIERS?

A. Yes. There are many practical implementation issues that must be considered if Connecticut were to adopt a policy prohibiting hardship customers from enrolling with retail suppliers. The EDCs would need to develop a way to identify hardship customers and transmit this information to retail suppliers. The EDCs would likely need to implement an electronic data interchange ("EDI") enrollment block to prevent new supplier enrollments for hardship customers. Suppliers would need to update their contracts, marketing materials, sales and marketing protocols, training materials, and other business practices in order to clarify that hardship customers are not eligible for the supplier's service offerings. The over 75,000[73] existing hardship customers would need to be notified about this policy change and considerable efforts must be undertaken to inform these customers why they are no longer permitted to access the same competitive energy market offers that have been available to them in the past and that are still available to the general customer population.

Q. IS IT POSSIBLE FOR A HARDSHIP CUSTOMER'S STATUS TO CHANGE?

A. Yes. A customer's designation as a hardship customer is not static. According to data provided by the EDCs, a customer's status as a hardship customer must first be certified through documentation provided by the customer or third parties such as medical professionals, social service organizations or state agencies.[74] For Eversource, a customer's hardship designation is only valid for one year, between November 1 and October 31. For both EDCs, it appears that customers can receive hardship designation on a rolling basis throughout the year. It also appears that customers who are designated

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[73] Exhibit SMB-2 from Testimony of Susan M. Baldwin, derived from EDC responses to OCC-012 and OCC-013.

[74] Eversource and UI responses to OCC-001, OCC-002, OCC-039, OCC-40.

as hardship customers can lose this designation if the customer's certification is not renewed.

Q. CAN THE NUMBER OF HARDSHIP CUSTOMERS CHANGE SIGNIFICANTLY?

A. Yes. According to Exhibit SMB-2 from OCC's testimony, the statewide number of hardship customers has varied from a low of approximately 68,000 in June 2011 to a high of approximately 89,000 in September 2014.

Q. WHAT ARE THE PRACTICAL IMPLICATIONS ASSOCIATED WITH HARDSHIP CUSTOMERS' CHANGING STATUS?

A. The changing status of a customer's hardship designation presents practical implementation issues that must be considered if Connecticut adopts a restriction on shopping for such customers. The EDCs have indicated an ability to implement an enrollment block for hardship customers.[75] This solution may prevent new enrollments for designated hardship customers at the time of the enrollment, but it does not fully address other scenarios. For example, what should happen if a non-hardship customer enrolls on a supplier contract and then becomes a hardship customer in the future? Also, what should happen to existing hardship customers enrolled on supplier contracts at the time the shopping prohibition is adopted? It is my understanding that the OCC is only advocating for restricting new enrollments for hardship customers.[76] In other words, hardship customers on existing supplier contracts would be permitted to remain on those

[75] Eversource and UI responses to OCC-41.

[76] Testimony of Susan M. Baldwin at 65.

contracts. If this is the case, then it raises the question of whether suppliers would be able to renew such customers pursuant to auto-renewal clauses, or if suppliers must drop these customers at the end of their contract. If suppliers are expected to drop these customers, then the EDCs must develop a way to transmit a customer's hardship status to the supplier, either through a hardship customer list or an EDI indicator, to enable the supplier to de-enroll the hardship customer upon expiration of the current term.

Q. DO EXISTING REGULATIONS REQUIRE SUPPLIERS TO PROVIDE ADVANCE NOTICE TO CUSTOMERS BEFORE RETURNING THEM TO STANDARD SERVICE?

A. Yes. It is my understanding that Connecticut General Statutes § 16-245o(g)(1) requires suppliers to provide residential customers with notice between thirty to sixty days in advance of the expiration of a fixed term contract. If suppliers are expected to drop their existing hardship customers upon expiration of a customer's existing contract, then PURA must provide sufficient time for suppliers to comply with these notice rules.

Q. EVEN IF THE ENROLLMENT BLOCK AND NOTICE PROCEDURES DISCUSSED ABOVE ARE IMPLEMENTED, IS SIGNIFICANT CUSTOMER CONFUSION LIKELY TO OCCUR?

A. Yes. While it may be possible for the EDCs to effectively implement an enrollment block that would prevent suppliers from enrolling hardship customers, it is not possible for suppliers to limit their marketing or enrollment practices to perfectly screen out hardship customers at the pre-enrollment phase. At the time of the marketing interaction with the customer a supplier has no way of knowing whether the customer is a certified hardship customer. A supplier could possibly introduce a screening question in its enrollment process asking whether the customer is a certified hardship customer. However, the customer may not know or remember their hardship status. Also, such a question is likely to be viewed as an awkward or even invasive inquiry. Whether suppliers are required to introduce such screening questions or not, there will inevitably be instances in which a supplier unintentionally or unknowingly submits an enrollment to the EDC for a hardship account. In these instances, a customer will go through the supplier marketing process, complete the supplier's enrollment process, accept the supplier's contract terms via a physically or electronically signed agreement or completion of a third-party verified telephone enrollment, only to find out later that the enrollment was rejected because of the customer's hardship status. This will generate substantial confusion and customer frustration. This customer frustration should not be underestimated. A hardship customer will have selected and authorized enrollment onto an attractive supplier product that meets the customer's needs, perhaps even one with a rate substantially less than the current standard service rate, only to find out that she/he is ineligible due to a state policy that restricts choice based on sensitive criteria such as the customer's income, participation in public assistance programs or a severe medical condition. This will be a negative and stigmatizing experience for the very customers this policy is intended to protect.

Q. THE EDCS PROVIDED DATA ON THE ESTIMATED COSTS FOR IMPLEMENTING AN ENROLLMENT BLOCK FOR HARDSHIP ACCOUNTS. DO THESE COST ESTIMATES CAPTURE THE FULL COST OF THIS POLICY CHANGE?

No. The EDCs provided estimates of $6,500 for Eversource and $20,000 for UI for the cost of implementing an enrollment block for hardship accounts.[77] These cost estimates only include the programming costs of implementing the enrollment block. They do not include the costs associated with updated training materials for EDC customer service representatives, updated educational materials about the EDC hardship programs, costs to notify hardship customers of the policy change, etc. They also do not include the costs that suppliers must incur to modify their business practices to comply with such a change. Suppliers must utilize regulatory and legal resources to document and revise internal policies to implement the hardship shopping restriction. They must modify contracts and marketing materials to explain that offers are not available to hardship customers. IT, EDI and internal customer management systems may need to be modified if new enrollment rejection codes are established for hardship accounts. Suppliers must develop and issue notices to hardship customers whose enrollments are rejected. Suppliers must also train customer service, sales and marketing personnel and vendors regarding the new policy.

[77] Eversource and UI responses to OCC-41.

Q. IF PURA ADOPTS A POLICY TO PROHIBIT HARDSHIP CUSTOMERS FROM ENROLLING WITH SUPPLIERS, WOULD THIS POLICY BE REVISITED IN THE FUTURE?

A. Yes. If PURA ultimately orders all hardship customers to be placed on standard service, PURA is required by statute to reopen the docket reviewing this policy decision not less than every two years.[78]

[78] Connecticut General Statutes § 16-245o(m): "...Notwithstanding the provisions of section 16-245r, the authority may, in a final decision issued pursuant to this subsection, order all such customers to be placed on standard service. If the authority issues such an order, it shall reopen such docket not less than every two years."

Q. DOES THIS TWO-YEAR REVIEW PROCESS PROVIDE A SUFFICIENT OPPORTUNITY TO REVERSE THE POLICY DECISION OF RESTRICTING SHOPPING FOR HARDSHIP CUSTOMERS SHOULD MARKET CONDITIONS CHANGE?

A. No. As discussed above, conclusions to be drawn based upon a comparison of supplier prices to standard service rates may change as market conditions and standard service rates change. If PURA restricts hardship customer shopping today based on a conclusion that supplier prices are higher on average it is quite possible that PURA may seek to reverse this decision in the future if the picture looks different. If standard service again experiences significant rate increases, such as the 27% (for Eversource) and 54% (for UI) increases that occurred on January 1, 2015, there may be political pressure to allow hardship customers to shop again if suppliers are able to offer significant savings opportunities at that time. Furthermore, it would take significant time to complete the necessary regulatory proceedings to consider, adopt and implement such a change. Even if an expedited regulatory proceeding could be conducted in order to quickly reverse the policy of restricting choice for hardship customers, it would take significant time to educate customers about this policy reversal and for suppliers to again begin marketing and enrolling such customers. These practical considerations mean that it would take months or years to lift the shopping restriction for hardship customers and it would likely be far too late for supplier offerings to provide any rate relief from such future standard service rate increases.

Q. WOULD A CONTINUAL REVISITING OF THIS POLICY BE DISRUPTIVE TO CUSTOMERS, THE EDCS AND SUPPLIERS?

A. Yes. It would be highly disruptive to customers, the EDCs and suppliers to reverse course on this policy every time market conditions change. A better outcome would be to continue allowing hardship customers to actively shop. This is a far more flexible policy as hardship customers can continually evaluate for themselves whether standard service or competitive supply offers provide a better option in the context of current market prices and conditions. If hardship customer shopping is allowed to continue, individual customers would retain the optionality to switch to more attractive supplier offers as soon as their next billing cycle and can switch to standard service in three days.

VIII. SUPPLIER UNCOLLECTIBLES

Q. WHAT TOPICS ARE ADDRESSED IN THIS SECTION OF YOUR TESTIMONY?

A. The following section addresses the following topics:

- Any other information that will assist the Authority in reviewing the feasibility, costs, and benefits of possibly switching §16-245o(m) accounts to standard service.

Q. PLEASE SUMMARIZE OCC'S TESTIMONY ON THE ISSUE OF SUPPLIER UNCOLLECTIBLES.

A. Ms. Baldwin, on behalf of OCC, argues that under the purchase of receivables ("POR") program in Connecticut supplier uncollectibles are "subsidized" by the general class ratepayers.[79] She also argues that suppliers bear "no meaningful business risk in serving

[79] Testimony of Susan M. Baldwin at 60.

customers who may experience difficulties in paying their electric bills."[80] She further presents data on the total amount of uncollectibles and the amount of uncollectibles per account for hardship accounts on supplier services versus standard service.

Q. DO YOU AGREE THAT THE POR PROGRAM RESULTS IN A SUBSIDY FOR SUPPLIER UNCOLLECTIBLES?

A. No. The POR program is a purposefully designed program that attempts to equalize the playing field between suppliers and standard service in terms of uncollectible accounts expense. All service providers (competitive suppliers and the EDC's provision of standard service) will experience some number of customers who fail to pay their bills. However, the utilities can recover these costs through tariff rates and, for most customers, also have the ability to terminate service for non-payment. The POR program levels the playing field by allowing suppliers to bill their costs through the utility consolidated bill and leverage the credit and collections process that already exists for EDC service. Furthermore, suppliers pay a discount rate on the purchase of their accounts receivables to compensate the EDC for the overall cost of uncollectibles. UI, in comments regarding the POR program in a separate proceeding has aptly noted that the current POR, utility consolidated billing program "functions well and does not disrupt the Company's current billing and collection system."[81] UI also generally noted that any change to the billing and POR program would require significant resources to implement and could result in a

[80] Testimony of Susan M. Baldwin at 60.

[81] Written Comments submitted by UI on April 12, 2019 in Docket No. 18-04-25, PURA Investigation Regarding Issues Related to Uncollectable Accounts, page 2.

confusing and duplicative overlapping of the debt collection process. I generally agree with these comments submitted by UI.

Q. IS IT TRUE THAT SUPPLIERS BEAR NO BUSINESS RISK WHEN CUSTOMERS FAIL TO PAY THEIR BILLS?

A. No. Suppliers do face business risk associated with customer non-payment even though they are paid through the POR program for the accounts receivables sold to the EDC. Suppliers must procure energy and related services in the wholesale energy markets to hedge their retail load positions. These procurement activities carry a significant cost. This is especially true when a supplier is extending a fixed price offering to retail customers because the supplier must have wholesale positions in place to support those fixed price offerings. If customers fail to pay their bill, customers are typically at risk of being disconnected for non-payment. In this situation, the supplier may be left with sunk energy procurement costs but no or fewer customers from whom it can recover those costs. I recognize that hardship customers are protected from service termination in certain circumstances. However, suppliers have no way of knowing whether a customer is a hardship customer. Additionally, the shutoff moratorium is limited to winter months for certain hardship customers. Therefore, it is not accurate to assert that suppliers bear no business risk associated with customer non-payment.

Q. DOES THE UNCOLLECTIBLE DATA IN OCC'S TESTIMONY SHOW THAT SUPPLIER UNCOLLECTIBLES FOR HARDSHIP CUSTOMERS ARE WORSE THAN THAT OF STANDARD SERVICE HARDSHIP CUSTOMERS?

A. No. In Exhibits SMB-11(A) and SMB-11(B), Ms. Baldwin presents information on the uncollectible accounts for hardship customers served by suppliers and standard service.

These tables show that the percentage of uncollectible accounts for both EDCs is typically lower for hardship customers on supplier service. For example for Eversource, the percentage of uncollectible accounts for the supplier group is significantly lower in every year from 2011 through 2017. In 2018, the percentage of uncollectible accounts is the same for the supplier group and for the standard service group. For UI, I would note that the dollar amounts of uncollectibles per account appear to be substantially higher for the standard service group, between 1.6 and 3 times higher based on the data shown in the OCC's exhibits.

Q. WHAT DO YOU CONCLUDE FROM YOUR REVIEW OF THIS UNCOLLECTIBLES DATA?

A. It does not appear that hardship customer shopping is resulting in overall adverse impacts to the uncollectibles experienced by the EDCs. In fact, it appears that hardship customers who are served by suppliers tend to be less likely to experience non-payment given the lower uncollectible account percentages for the supplier group.

Q. IF PURA HAS CONCERNS ABOUT SUPPLIER UNCOLLECTIBLES, IS SUPPLIER CONSOLIDATED BILLING A REASONABLE POLICY OPTION TO CONSIDER?

A. Yes. RESA has long supported the consideration and implementation of supplier consolidated billing in restructured retail markets. Under such a program, the supplier would assume the billing responsibility for both its generation supply charges and the EDC's distribution service charges. Essentially, supplier consolidated billing is the reverse of utility billing with POR model. With supplier consolidated billing, the supplier would assume the collection responsibility along with any risk of non-payment. To the extent that PURA has concerns about the current POR program and whether suppliers bear sufficient risk, supplier billing should be considered. Supplier consolidated billing would not only shift billing and collection responsibility to suppliers, but would also allow suppliers to offer more innovative products and services and build a more direct relationship with the customer.

IX. SUPPLIER COMPLAINTS

Q. WHAT TOPICS ARE ADDRESSED IN THIS SECTION OF YOUR TESTIMONY?

A. The following section addresses the following topics:

- Any other information that will assist the Authority in reviewing the feasibility, costs, and benefits of possibly switching §16-245o(m) accounts to standard service.

Q. HAVE YOU REVIEWED INFORMATION ON SUPPLIER COMPLAINTS?

A. Yes. In an annual report to the legislature[82] on the status of electric competition, PURA included information on electric supplier complaints for the last several years. Using information from this report and complaint data reported by PURA for the EDCs,[83] I compared the complaint rates for suppliers versus the EDCs. As shown below, although supplier complaint rates peaked during 2014 the year of the Polar Vortex, complaints have declined since then. For 2018, the supplier complaint rate is nearly the same as the EDCs. This leads me to the conclusion that the regulatory reforms and modified supplier business practices implemented in recent years have largely been effective.

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[82] 2018 Annual Report to the Legislature—State of Electric Competition, Docket 18-01-29 (March 27, 2019).

[83] PURA Complaint Scorecard: http://www.dpuc.state.ct.us/PURACAIU.NSF/$FormWebWebComplaintsScorecardView?OpenForm&Start=1&Count=1000&CollapseView&Seq=20.

Table RJH-14 Supplier Complaints								
Year	Total Supplier Complaints	# Customers Served by Suppliers	Supplier Complaint Rate	Eversource Complaints	UI Complaints	Total EDC	# of EDC Customers	EDC Complaint Rate
2014	2,161	562,731	0.38%	740	207	947	1,561,433	0.06%
2015	802	535,093	0.15%	1,042	324	1,366	1,566,840	0.09%
2016	568	514,446	0.11%	1,168	239	1,407	1,576,058	0.09%
2017	620	475,884	0.13%	1,410	178	1,588	1,584,081	0.10%
2018	417	434,264	0.10%	1,599	167	1,766	1,587,539	0.11%

X. <u>THE BENEFITS OF RESTRUCTURED ENERGY MARKETS</u>

Q. WHAT TOPICS ARE ADDRESSED IN THIS SECTION OF YOUR TESTIMONY?

A. The following section addresses the following topics:

- Any other information that will assist the Authority in reviewing the feasibility, costs, and benefits of possibly switching §16-245o(m) accounts to standard service.

Q. ARE YOU AWARE OF PUBLISHED REPORTS EXAMINING TRENDS IN ENERGY PRICES IN COMPETITIVE VERSUS MONOPOLY JURISDICTIONS?

A. Yes. I would like to call attention to a report produced by the late Phil O'Connor on behalf of RESA titled "The Great Divergence in Competitive and Monopoly Electricity Price Trends." This report, published in September 2018, analyzed U.S. Energy Information Administration data on retail prices from 2008 to 2017. The report compares price trends in 35 states with monopoly regulatory regimes to price trends in 14 jurisdictions with competitive retail energy markets. The report found that the competitive jurisdictions generally out-performed the monopoly states across all sectors (residential, commercial and industrial). Specifically, the residential weighted average price in the monopoly states was 22.3% higher in 2017 than in 2008, compared to a 2.4%

increase in the competitive jurisdictions. Specific to Connecticut, the report shows that the residential sector price increase from 2008 to 2017 was minimal, whereas the residential sector price increases among the monopoly states was much higher. The full report is included as Exhibit RJH-4.

Q. WHAT DO YOU CONCLUDE FROM YOUR REVIEW OF THIS REPORT?

A. In the report, Connecticut's price performance relative to other states is based upon a review of weighted average retail prices. This would include prices associated with customers on both competitive retail supply and standard service. Although the report does not isolate prices for customers served by retail suppliers, it provides support that the competitive market model in Connecticut is benefiting consumers.

XI. POLICY ALTERNATIVES TO PLACING HARDSHIP CUSTOMERS ON STANDARD SERVICE

Q. WHAT TOPICS ARE ADDRESSED IN THIS SECTION OF YOUR TESTIMONY?

A. The following section addresses the following topics:

- Any other information that will assist the Authority in reviewing the feasibility, costs, and benefits of possibly switching §16-245o(m) accounts to standard service.

Q. ARE THERE POLICES THAT PURA SHOULD THOROUGHLY EXPLORE AS ALTERNATIVES TO THE DRASTIC MEASURE OF RESTRICTING ENERGY CHOICE FOR HARDSHIP CUSTOMERS?

A. Yes. To the extent that PURA finds that hardship customers are not sufficiently benefiting from competitive retail supply options under today's policies there are various other policy changes that can be explored.

Q. PLEASE OUTLINE THE VARIOUS POLICY ALTERNATIVES.

A. A brief description of these policy options is included below. RESA does not necessarily endorse each of the following options. However, given that the scope of this proceeding is focused on examining the costs, feasibility and benefits of restricting hardship customers to standard service, I believe it would be prudent to also consider the costs, feasibility and benefits of these policy alternatives before implementing the drastic measure of eliminating energy choice for a class of customers.

1. **Enhanced consumer education:** Given the frequent availability of retail supply offers that provide savings, PURA should consider programs designed to inform hardship customers about specific retailer offers that are priced below current or future known standard service rates. These programs could include additional promotion of the CT Rate Board, supplements to EDC hardship customer outreach materials, the development of educational materials for distribution to state agencies and other organizations that assist hardship customers, etc.

2. **Aggregation programs for hardship customers:** PURA could consider the implementation of an auction or request for proposal ("RFP") process to select a competitive supplier to provide service to hardship customers. This type of aggregation program could include program rules that would only award the contract and enroll hardship customers if the winning bid price provides savings relative to current or future known standard service rates.

3. **Hardship customer supplier referral program:** PURA could consider the implementation of a supplier referral program for hardship customers. Under such a program, participating suppliers would agree to provide service to hardship customers at

a rate that is equal to or less than the standard service rate. A similar program has been implemented in Pennsylvania.[84]

4. **Price cap for hardship customers:** PURA could consider the implementation of a price cap on supplier offers for hardship accounts. For example, hardship customer enrollments could be subject to a price cap on the supplier billed price equal to some threshold above the currently applicable standard service rate, such as 25 percent. This would ensure that hardship customers are protected from supplier prices that exceed this threshold, but would still be free to enroll in any supplier product that remained below this price cap, such as fixed price plans or plans offering premium green energy content.
5. **Customer notice and early termination fee ("ETF") waiver for hardship customers:** PURA could consider the implementation of a periodic notice requirement for hardship customers. For example, suppliers serving hardship customers would send a standardized notice letter to customers informing them of their current supplier price, the comparable standard service rate, and advising them of the right to return to standard service. This could be accompanied by an ETF waiver that would permit the hardship customer to return to standard service without incurring any penalty.

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[84] http://www.puc.pa.gov/pcdocs/1607727.docx.

Q. IF PURA DETERMINES THAT HARDSHIP CUSTOMERS SHOULD BE PLACED ON STANDARD SERVICE, ARE THERE IMPLEMENTATION OPTIONS THAT SHOULD BE CONSIDERED TO PRESERVE SOME DEGREE OF CONSUMER CHOICE FOR HARDSHIP CUSTOMERS?

A. Yes. If PURA ultimately decides that hardship customers should be placed on standard service, I believe that this policy change should be implemented in a manner that preserves some degree of consumer choice for hardship customers. All of the policy alternatives outlined above retain the ability for hardship customers to participate in the competitive retail market to some degree. However, another approach could be to inform hardship customers about this policy change and provide customers the option to affirmatively decide whether they wish to retain the right to choose a competitive supplier or place a switch block on their account. This could be implemented through the EDCs' certification process for hardship customers. Hardship customers must follow an EDC-defined procedure and submit documentation to certify their hardship status and must periodically recertify their eligibility.[85] These procedures could be modified to include a written, verbally verified, or electronic process whereby a hardship customer would elect whether to retain the ability to shop for competitive electricity supply or consent to a switch block that would prevent future enrollments with a supplier. If an existing shopping hardship customer were to elect the option to implement the switch block, then that customer would be returned to standard service upon expiration of the current supplier agreement. PURA, the EDCs, the OCC and other interested stakeholders,

[85] Eversource and UI Responses to OCC-001, OCC-002, OCC-39, OCC-40, and OCC-42.

would need to develop standardized information materials to present to customers through this process to fully inform them of the pros and cons of electing to implement the switch block. However, these materials could include disclosures noting that retail supplier rates may be higher or lower than standard service rates and that electing to implement the switch block would prevent the customer from enrolling with offers that may provide opportunities for savings or other benefits.

Q. ARE YOU AWARE OF RECENT POLICY DEVELOPMENTS CONCERNING LOW INCOME CUSTOMERS IN OTHER RETAIL CHOICE JURISDICTIONS?

A. Yes. The issue of retail energy choice for low-income customers has become a topic of regulatory and legislative debate in other states, including Pennsylvania, New York and Illinois. However, to my knowledge none of these states have adopted a complete ban on the ability of low-income customers to participate in the competitive retail energy market. In Pennsylvania, I am aware that two electric utilities have adopted a special supplier referral program that allows low-income customers to be served by participating retail suppliers subject to certain price limitations.[86] In New York, retail suppliers may obtain a waiver from the Public Service Commission to serve low-income customers on a guaranteed savings product.[87] A bill under consideration in Illinois would adopt a similar restriction for service to low income customers, but also retains the option for retail

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[86] Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of their Default Service Programs, Pennsylvania Public Utility Commission Docket Nos. P-2017-2637855, P-2017-2637857, P-2017-2637858, P-2017-2637866, Opinion and Order entered September 4, 2018, Final Order entered February 28, 2019; Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2017 Through May 31, 2020, Pennsylvania Public Utility Commission Docket No. P-2016-2526627, Final Order entered February 9, 2018.

[87] Order Adopting a Prohibition on Service to Low-Income Customers by Energy Service Companies, New York Public Service Commission Case 12-M-0476, issued December 16, 2016.

suppliers to serve such customers under a guaranteed savings plan or through municipal aggregation.[88]

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

[88] Senate Bill 0651 under consideration by the Illinois General Assembly, available at: http://www.ilga.gov/legislation/default.asp.

CERTIFICATION

I hereby certify that, a copy of the foregoing was sent to all participants of record on this 21st day of May 2019.

Brian E. Calabrese

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Brian E. Calabrese

Qualifications and Experience of Richard J. Hudson Jr.

Pennsylvania Regulatory Proceedings

Application of Duquesne Light Company for a Certificate of Public Convenience under Section 1102(a)(3) of the Public Utility Code approving the acquisition of Duquesne Light Holding, Inc. by Merger, et. al., Docket Nos. A-110150F0035, et. al. Order entered April 24, 2007, written direct and surrebuttal testimony on behalf of Strategic Energy and RESA.

Petition of Pennsylvania Power Company For Approval of Interim Default Service, Docket No. P-00072305, Petition filed May 2, 2007, Docket No. P-00072305, written direct and rebuttal testimony on remand on behalf of Strategic Energy.

Petition of Duquesne Light Company for Approval of a Default Service Plan for the Period of January 1, 2008 through December 31, 2010, Docket No. P-00072247, Final Order entered June 22, 2007, written direct and surrebuttal testimony on behalf of Strategic Energy and RESA.

Petition of West Penn Power Company d/b/a Allegheny Power for Approval of its Retail Electric Default Service Program and Competitive Procurement Plan for Service at the Conclusion of the Restructuring Period, Docket No. P-00072342, Petition filed October 25, 2007, Order entered July 25, 2008, written direct, rebuttal, and surrebuttal testimony on behalf of RESA.

Petition of PECO Energy Company for Approval of its Default Service Program and Rate Mitigation Plan, Docket No. P-2008-2062739, Petition filed on September 10, 2008, Opinion and Order entered June 2, 2009, written direct, rebuttal, and surrebuttal testimony on behalf of RESA.

Petition of PPL Utilities Corporation for Approval of a Default Service Program and Procurement Plan for the Period January 1, 2011 Through May 31, 2014, Docket No. P-2008-2060309, Petition filed August 28, 2009, Opinion and Order entered June 30, 2009, written direct, rebuttal, and surrebuttal testimony on behalf of RESA.

Petition of PPL Electric Utilities Corporation Requesting Approval of a Voluntary Purchase of Receivables Program and Merchant Function Charge, Docket No. P-2009-2129502, Opinion and Order entered November 19, 2009, written direct testimony on behalf of RESA.

Petition of PECO Energy Company for Approval of its Revised Electric Purchase of Receivables Program, Docket No. P-2009-2143607, Opinion and Order entered June 18, 2010, written direct and rebuttal testimony on behalf of RESA.

Petition of Duquesne Light Company for Approval of Default Service Plan for the Period January 1, 2011 through May 31, 2013, Docket No. P-2009-2135500, Opinion and Order entered June 21, 2010, written direct, rebuttal, and surrebuttal testimony on behalf of RESA

Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation, Docket No. R-2010-2161694, Opinion and Order entered December 21, 2010, written direct and surrebuttal testimony on behalf of RESA.

Oral Testimony and Presentation at March 21, 2012 En Banc Hearing in the Commission's Retail Market Investigation, Docket No. I-2011-2237952.

Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of their Default Service Programs, P-2013-2391368, P-2013-2391372, P-2013-2391375, P-2013-2391378, Opinion and Order entered July 24, 2014, written direct, rebuttal and surrebuttal testimony on behalf of RESA.

Petition of PECO Energy Company for Approval of its Default Service Program for the period from June 1, 2015 through May 31, 2017, Docket No. P-2014-2409362, Opinion and Order entered December 4, 2014, written direct, rebuttal and surrebuttal testimony on behalf of RESA.

Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2015 Through May 31, 2017, Docket No. P-2014-2417907, Opinion and Order entered January 15, 2015, written direct, rebuttal and surrebuttal testimony on behalf of RESA.

Petition of Duquesne Light Company for Approval of a Default Service Program for the Period from June 1, 2015 through May 31, 2017, Docket No. P-2014-2418242, Opinion and Order entered January 15, 2015, written direct, rebuttal and surrebuttal testimony on behalf of RESA.

Maryland Regulatory Proceedings

In the Matter of the Review of the Delmarva Power and Light Company Standard Offer Service Administrative Charge; In the Matter of the Review of the Potomac Electric Power Company Standard Offer Service Administrative Charge, Case Nos. 9226 and 9232, direct and rebuttal testimony on behalf of RESA.

Connecticut Regulatory Proceedings

PURA Investigation Into Redesign of the Residential Electric Billing Format, Summary Information for Business Customers and Website Account Summary, Docket No. 14-07-19RE03, oral testimony on behalf of RESA at October 30, 2017 hearing.

Working Groups and Stakeholder Forums

Active participation in Pennsylvania "CHARGE" (Committee Handling Activities for Retail Growth in Electricity) working group.

Periodic participation in Connecticut PURA Supplier Working Group (Docket 13-07-18).

Active participation in Maryland PC 44 Working Groups.

Active participation in New York Community Choice Aggregation Working Groups.

Employment History

March 2018 to Present: Founder and Owner, Hudson Energy Consulting.

September 2016 to March 2018: Director, Mass Market Policy, Constellation Energy

August 2009 to September 2016: Director, Regulatory & Legislative Affairs, Consolidated Edison Solutions, Inc.

April 2008 to July 2009: Director, State Regulatory Policy, Reliant Energy, Inc.

July 2006 to April 2008: Manager Regulatory Affairs, Strategic Energy, LLC.

August 2002 to July 2006: Energy Industry Analyst, Federal Energy Regulatory Commission.

Education

August 2002: Bachelor of Science, Applied Economic Analysis, University of North Carolina-Greensboro (Bryan School of Business and Economics)