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Via Electronic Filing

August 7, 2020

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

Re: **Docket No. 20-01-33: PURA Review of Electric Distribution Companies' Method of Payment to Licensed Electric Suppliers for Uncollectible Customer Accounts**

Dear Mr. Gaudiosi:

The Retail Energy Supply Association ("RESA")[1] hereby submits this letter in lieu of written exceptions in response to the Public Utilities Regulatory Authority's ("Authority") July 29, 2020 Proposed Interim Decision ("Proposed Decision") in the above-referenced matter. RESA supports the Authority's decision to maintain the current purchase of receivables ("POR") Program. However, RESA requests that the Authority correct certain findings before issuing a final decision.

In the Proposed Decision, without citing any material in the record,[2] the Authority finds that the current POR method "inures inequitably to the benefit of licensed third-party electric suppliers"[3]

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

[2] *Cf.* Conn. Gen. Stat. § 4-183(j) (An agency decision can be found to be clearly erroneous if it is not supported by "reliable, probative, and substantial evidence on the whole record.").

[3] Proposed Decision, at 1; *see also id.* at 3 (referring to "inequities" of current system); *id.* at 5 (implying ratepayers bear costs for POR program that should be borne by suppliers).

and "results in all ratepayers subsidizing the uncollectible accounts of customers receiving service from suppliers."[4] However, the material in the record specifically refutes these findings.

In fact, as RESA demonstrated in its comments,[5] the current method of determining the percentage by which electric distribution company ("EDC") payments to electric suppliers are discounted has actually caused electric ***suppliers*** to bear a disproportionate share of uncollectible expense. For example, the Eversource data from 2016 through 2019 cited in RESA comments,[6] establish that the POR discount percentage deducted from supplier payments ***exceeded*** the supplier net write-offs.[7] Thus, the higher supplier discounts compared to write-offs have actually ***reduced*** non-hardship uncollectible expense borne by customers in the Eversource service territory.[8] Consequently, the current system does not impose added costs on all customers, but, in fact, reduces them; resulting in suppliers subsidizing EDC uncollectible expense for the benefit of all ratepayers.[9] Based on this, RESA requests that the Authority correct its findings to the contrary before issuing a final decision.

RESA does not request oral argument but reserves the right to participate should oral argument be held.

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[4] Proposed Decision, at 5.

[5] Comments of Retail Energy Supply Association Comments (Feb. 21, 2020), at 3; Comments of Retail Energy Supply Association re Second Request for Written Comments (Jun. 29, 2020), at 4-5.

[6] *Id.*

[7] Docket No. 18-03-01, *PURA Annual Review of the Rate Adjustment Mechanisms of The Connecticut Light and Power Company*, Eversource Response to Interrogatory OCC-34 (Jul. 26, 2018) ("For 2016, the supplier discounts of $4,413,317 compare to the supplier net write-offs of $1,786,113. For 2017, the supplier discounts of $4,540,279 compare to the supplier net write-offs of $1,014,527."); Docket No. 19-03-01, *PURA Annual Review of the Rate Adjustment Mechanisms of The Connecticut Light and Power Company,* Eversource Response to Interrogatory OCC-24 (Aug. 6, 2019), Attachment 1 (showing supplier write-offs of $1,074,181 and supplier discount adjustment of $3,485,736); Docket No. 20-03-01, *PURA Annual Review of the Rate Adjustment Mechanisms of The Connecticut Light and Power Company*, Eversource Response to OCC-4 (Jun. 3, 2020), Attachment, at 1 (showing supplier write-offs of $1,385,368 and supplier discount adjustment of $2,899,671). UI does not track supplier write-offs. *See* Docket No. 18-03-02, *PURA Annual Review of the Rate Adjustment Mechanisms of The United Illuminating Company*, UI Response to Interrogatory OCC-31 (Jul.13, 2018) ("UI currently doesn't have a report available that would identify the amount of supplier write-offs. This is because customers that use suppliers and become past due are written-off for their entire bill, and not just the supplier portion.").

[8] Docket No. 18-03-01, *PURA Annual Review of the Rate Adjustment Mechanisms of The Connecticut Light and Power Company*, Eversource Response to Interrogatory OCC-34 (Jul. 26, 2018) ("[T]he higher supplier discounts compared to write-offs benefit the GSC [generation service charge] and distribution customers by increasing the non-hardship uncollectible reserve, which in effect reduces uncollectible expense over time.").

[9] *Id.*

I certify that a copy hereof has been sent to all participants of record as reflected on the Authority's service list. In accordance with the Authority's instructions, only an electronic copy of this filing is being submitted at this time.[10]

Please feel free to contact me if you have any questions or require additional information. Thank you.

Sincerely,

JLM Miranda
Joey Lee Miranda

Copy to: Service List

[10] *See* Fifth Ruling on Temporarily Suspending Filing Paper Copies (Jun. 19, 2020).