



WarmThyNeighbor

OPERATION FUEL, INC.

One Regency Drive

Bloomfield, CT 06002

(860) 243-2345

(860) 726-9310 Fax

www.operationfuel.org

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Good Morning, my name is Patricia Wrice; I 'm the executive director of Operation Fuel. Operation Fuel is a private statewide non-profit organization that provides emergency energy assistance to low-income working households that are not eligible or have exhausted their benefits from the state energy programs. I am also a member of the Governor's Low Income Energy Advisory Board and chair of the Utilities Committee. I would like to thank Senators Fonfara and Fontana and the members of the Energy and Technology Committee for the support you have given to Operation Fuel this past year. This year Operation Fuel was granted \$5 million from the State of Connecticut for expansion of energy assistance. We want to thank you for that as well.

I am speaking in support of **Raised Bill No. 5813 and Raised Bill No. 589**. According to a report prepared for Operation Fuel (Connecticut's Energy Affordability Gap Study) Connecticut has one of the highest energy costs in the country. Last year the average affordability gap per low-income household was \$1,100; this year that number has increased to \$1,750. An affordability gap is the difference between what low-income household can afford and the actual cost of their energy bills.

One of the most effective low-income energy assistance programs beside LIHEAP (CEAP in Connecticut) are the discounted rate programs provided by public utilities. These programs provide low-income customers with affordable equal monthly payments.

While all low-income Connecticut households do not use natural gas and electricity as their primary heating source, (51% heat with oil) all households use electricity and the combination of both gas and electricity covers a large portion of the budget for low-income households in Connecticut.

When our committee researched discounted rate programs in other states, we found that successful programs needed two very critical components:

1. A low-income special rate for utilities.
2. A fresh start allocation that addresses high back balances

Several of these programs operate around the country. Many currently function in the northeast and can have application for Connecticut. After reviewing several of these programs, Operation Fuel believes that New Jersey and Pennsylvania offer the best solutions to our current crisis.

New Jersey and Pennsylvania run programs called the **Universal Service Fund** to help make electric and natural gas bills more affordable for low-income families whose annual income doesn't exceed 175% of poverty.

Key elements of those programs are:

- Statewide with all utility companies participating
- Created by state statute with on-going funding (the Universal Service Fund)
- Year-round Program
- Funded through electric and natural gas bills of all customers
- Available to households with income at or below 175% of the Federal Poverty Level
- Available to customers with automatic enrollment for eligibility for financial assistance programs
- Percentage of income combined electric and natural gas rates.
- Provides a one-time arrearage forgiveness program on old balances (clean slate)

Long term solutions are necessary to alleviate the suffering of Connecticut's most vulnerable households. Energy assistance coupled with discounted utility rates for low income customers would go a long way in alleviating the energy burden of thousands of low-income CT households. I've included with my remarks a summary of a Report prepared for Operation Fuel by APPRISE , Applied Public Policy Research Institute for Study and Evaluation, a **Study of Ratepayer Funded Low-Income Energy Programs** and suggestions for Connecticut as we consider ways to develop models for discounted ratepayer funded programs. I will be happy to furnish the full report to anyone who would like a copy.

We also support **Raised Bill No. 5813** regarding the establishment of a pilot program where fifty per cent of funds collected from unclaimed utility deposits up to two hundred thousand dollars will distributed to Operation Fuel to assist lower income utility customers. New Jersey has been using unclaimed utility deposits for over ten years to help low income residents pay their gas and electric bills. The funds are given to a state-wide non-profit fuel fund called New Jersey Shares that helps families in crisis with their energy bills. The state of New Jersey provides 75 percent of the funds balance, while keeping the remainder in reserve to pay unclaimed property claims. I will be happy to answer any questions.

Thank you,