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### Testimony of Shirley Bergert<sup>1</sup> Before the Energy & Technology Committee Regarding Proposed Bill 6017

### An Act Concerning Deposits and Reconnection Fees Charged by Utility Companies February 17, 2011

Connecticut Legal Services serves low income households in Connecticut, providing legal advice and assistance in both landlord/tenant issues and energy related matters. These are our vulnerable neighbors at greatest risk in affording and maintaining necessary utility and energy services.

**Suggested action: Reject bill unless modified so low income households are not required to pay their full back bill to get the protections offered.**

This proposal would prohibit electric and gas utilities from charging a customer a security deposit or reconnection fee *when a customer has paid his/her/its full debt to the utility*. Any bill should afford equitable protections to the lowest income utility customers, many of whom cannot afford to pay fees in addition to the utility bills they are struggling to afford. As proposed, the bill will offer a benefit to households and businesses with higher incomes who can afford to pay their full debt to a utility company, but will not protect against additional fees for low income households struggling to maintain essential services when they cannot afford to pay their full back bill.

To understand how difficult it can be for the poor to afford basic utility and energy services, the average annual shortfall between actual and affordable home energy bills is nearly \$2,100 per household, for households at or below 185% of the federal poverty level, considerably below the eligibility cap for energy assistance.<sup>2</sup>

We presume the bill expands existing protections for low income households who now cannot be charged a security deposit by UI, CL&P, CNG, YG and SCG, to avoid this being an untenable bar to accessing essential services. The bill is unclear as to whether the protections it affords will be available to municipal utility customers, in addition to customers of UI, CL&P, CNG, YG and SCG. We support providing protections to low income customers of municipal utilities.

To assist in determining how to proceed, this is the status of current law:

<sup>1</sup> Member of the Low Income Energy Advisory Board, Energy Conservation Management Board, Fuel Oil Conservation Board, and the Advisory Board for the Institute for Sustainable Energy.

<sup>2</sup> HOME ENERGY AFFORDABILITY GAP: 2010, p.1, Roger D. Colton, Fisher, Sheehan & Colton, January 2011 (report available at: [www.operationfuel.org](http://www.operationfuel.org)).



- Reconnection fees: Utility companies may charge a reconnection fee to reinstate service to a residential customer after a shut-off for an overdue bill (see RCSA sec. 16-3-100(d)(2)).
- Security deposits:
  - UI, CL&P, CNG, YG and SCG cannot charge low income households a security deposit under any circumstances (CGS sec. 16-262j(a)). Higher income households may be charged a security deposit.
  - Municipal electric and gas companies may charge any customer a security deposit.