

TESTIMONY OF
UIL HOLDINGS CORPORATION
Before the Energy and Technology Committee
On

RAISED BILL RB 6405 - AN ACT CONCERNING CERTIFICATION OF
SERIOUSLY ILL UTILITY CUSTOMERS

Legislative Office Building
February 24, 2011

UIL Holdings Corporation (UIL) submits these comments regarding **RAISED BILL RB 6405, AN ACT CONCERNING CERTIFICATION OF SERIOUSLY ILL UTILITY CUSTOMERS**

UIL, on behalf of its operating utility companies, The United Illuminating Company (UI), The Southern Connecticut Gas Company (SCG) and Connecticut Natural Gas Corporation (CNG), supports RB 6405. We understand that many patients are now being seen by Advanced Practice Registered Nurses (APRNs). Consistent with our current practice of validating a physician's state license number against the information listed on the Connecticut Department of Public Health website (www.dph.state.ct.us), our utilities would use the Department's website to validate APRN licenses if this Bill is adopted.

We suggest that if the Bill continues through the legislative process, a financial means test should be added. UI, SCG and CNG have seen dramatic increases in delinquencies. At UI alone, medical hardship active delinquent accounts added up to approximately \$18 million as of December 31, 2010. Customers with "serious

illnesses” are protected from disconnection for nonpayment only during the winter moratorium, while those with “life threatening conditions” are protected from disconnection for nonpayment for the entire year. At UI for example, there were over 5,000 accounts with medical protection in 2010, of which 25% were serious illness and 75 % were life threatening conditions.

The existing statutory protection from disconnection, regardless of whether a customer has the financial resources to pay the utility bill, gives rise to large delinquent balances that are not subject to normal collection action but require legal collection actions.

This process is not only costly, but it does not often result in immediate payment.

SCG and CNG have the same challenges. Our companies continue to see increases in the number of customers filing for medical protection, as well as a significant increase in delinquencies associated with these customers.

Not all customers who claim medical hardship are financially challenged. Some may simply stop paying their utility bills during the moratorium, or even for the entire year.

The amount due for utility service from customers on medical protection status continues to grow when the companies cannot disconnect service to these customers.

The debts and the burden of the debts just get larger with time. For these reasons, we strongly recommend that the General Assembly add a means test for medical protection. A means test would protect customers with medical conditions who do not have the financial means to make payments, while minimizing the impact on uncollectible expense that failure to pay based on a medical condition alone may have on all other customers.

We try to help customers by offering payment arrangements and budget plans, and by providing information regarding weatherization and conservation programs. We encourage customers to consider alternate electric suppliers and electric time of day rates that can help customers reduce their electric energy costs. We promote matching payment programs that help hardship customers reduce outstanding balances. The costs resulting from uncollectible risks continue to be borne by other rate payers who may also be having a difficult time meeting their financial obligations in these hard economic times and are bearing the burden of unpaid debts by others.

UIL and its operating companies support RB 6403 with the modification described above.

If you have any questions please feel free to contact Carlos M. Vazquez, UIL's Senior Director of Government Relations at 203-521-2455 at your convenience.