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Testimony of Ken Sullivan, Director of Utilities

Jewett City Department of Public Utilities

**Senate Bill 110, An Act Concerning Fraud Prevention In Connecticut's
Utility Termination Protection Programs**

Senator Duff, Representative Reed, Senator Chapin, Representative Hoydick and members of the Energy and Technology Committee, I am Ken Sullivan, Director of Utilities for the Jewett City Department of Public Utilities. I want to thank you for the opportunity to express my support for Senate Bill 110, An Act Concerning Fraud Prevention in Connecticut's Utility Termination Protection Programs.

Quite some time ago, the Connecticut General Assembly wisely put in place protection against electricity shutoff for people with serious or life threatening illnesses (SILTS). The Jewett City Department of Public Utilities has and will continue to support this worthwhile program for those that truly need it. Unfortunately, in recent years it has become very evident that there are some who are cheating the system and thereby putting a well-intended program in jeopardy.

In preparation for this day, we have communicated with The Governor's Office, The Office of Consumer Counsel, Connecticut Legal Services, PURA, The Attorney General's Office, AARP and the chairs of this committee. I have also met with my legislative representation, Representative Steve Mikutel and Senator Andrew Maynard. I've met with all of the above stakeholders in an effort to keep all informed with regard to the concerns we have as relates to fraud surrounding the SILTS program.

Over the last several years we (The Jewett City Department of Public Utilities) have witnessed an increase in the abuse of (SILTS) statutes by those who are seeking to avoid paying their electric bills. There have been several occasions where I have personally witnessed customers laughing at JCDPU personnel (including myself) while handing in a medical note for the sole purpose of not paying their respective electric bill. It puts utility personnel in a rather awkward position to argue with a licensed physician.

This is a problem for all gas and electric utilities but even more so for the smaller municipal utilities. Should this be allowed to continue, it will become impossible to keep our rates in check. The reality is that someone is paying for any and all power consumed. Monies lost by customers defrauding the system must be made up by

raising rates on all customers or using funds that would otherwise go towards upgrading and protecting our infrastructure (in either case, the "legitimate" and "responsible" rate payer, suffers). I come here today to ask for your help in putting an end to those who would be inclined to game the system.

In all of this, the customer most harmed is the poor person who struggles to pay their bill. Specifically, in Jewett City, we have (3) elderly housing complexes and in some cases, we see residents of these elderly housing complexes walking the approximate one half mile to our office to pay their respective bill and thereby avoiding the cost of a stamp. It is simply unacceptable for unscrupulous individuals to be inflicting harm on the elderly and others.

We feel we have put forth a well-balanced proposal which protects those truly in need, while making it more difficult to commit fraud.

The bill:

1. Requires verification of income and liquid assets on a form approved by PURA and verified by the utility company or its designee.
2. Sets a limit of \$10,000 of liquid assets that can be owned by adult members of the household.
3. It defines what a life threatening situation is for purposes of this statute:

Sec. 3 (D) "Life-threatening situation" means a situation in which a customer or a member of the customer's household is dependent upon life-sustaining equipment operated by electricity with no battery backup that is prescribed by a licensed physician and is necessary to sustain the customer's life or the life of a member of the customer's household.

Currently, there is no definition of what a life threatening situation is and we believe this creates ambiguity, making it easier to abuse the system.

4. Finally, our proposed language provides, in statute, the ability for utility companies to contest the validity of a life threatening or serious illness certification at PURA and receive a determination within 60 days.

In closing, I want to assure the members of this committee that my colleagues and I take very seriously, our responsibility, to those who have life threatening illnesses and cannot afford to pay their electric bill. However, to allow fraudulent practices to continue unchecked will undermine our ability to provide power at the lowest possible price.

Thank you for the opportunity to speak today. I'm pleased to answer any questions that you may have.

Jewett City DPU - Company Private

Medical A/R as a Percentage of Fiscal Year Operating Revenue (Data Includes Active and Inactive Customers Only)

