

Power Outage Compensation

By: Austin Pate, Graduate Fellow
Kristen L. Miller, Senior Legislative Attorney
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Issue

Describe Connecticut's requirements for electric distribution companies (EDCs, i.e., Eversource and United Illuminating) to compensate customers for expenses related to a power outage.

Summary

Connecticut law requires EDCs to provide financial relief to their residential customers (including submetered parties) for prolonged power outages caused by an emergency ([CGS §§ 16-32i](#) and [-32m](#), as amended by [PA 23-102](#), §§ 17-20).

Specifically, these laws generally require EDCs to give (1) \$25 credits for each full day to those who experience a distribution system service outage that lasts at least 96 hours and (2) \$250 in compensation for food or medicine that spoiled due to the outage. These costs are not recoverable through rates. The laws also allow EDCs to petition the Public Utilities Regulatory Authority (PURA) for a waiver from the above requirements for credits and compensation.

Additionally, as required by these laws, PURA issued a [decision](#) in 2021 specifying certain aspects of how the EDCs and PURA implement them, such as how customers receive payment and the method for EDCs to seek a waiver.

Credits and Compensation

By law, EDCs must generally give their residential customers:

1. a \$25 account credit for each day that a distribution system service outage occurs for more than 96 consecutive hours after an emergency and
2. \$250, in total compensation, for any food and medication that expires or spoils due to the same type of outage ([CGS §§ 16-32l](#) and [-32m](#), as amended by [PA 23-102](#), §§ 17-20).

Triggering Events and Outage Length

The types of emergencies that trigger these payments include hurricanes, tornados, storms, floods, high or wind-driven waters, tidal waves, earthquakes, land or mud slides, snowstorms, droughts, or fire explosions. But the law exempts emergencies that result in over 69% of an EDC's customers experiencing an outage at the period of peak demand.

PURA determines the moment at which an emergency is deemed to end, thus starting the 96-hour period. It reviews the following when making its determination: the (1) time when the EDC could first deploy resources safely in its service territory, (2) first of any official state or federal declarations about the end of the emergency, or (3) expiration of the first of any National Weather Service (NWS) warning that applies to the territory.

Under PURA's decision, power must be restored for at least 12 consecutive hours before an outage is considered resolved and the 96-hour time period ceases to run (pp. 6 & 7). Accordingly, any amount of time that power is restored but the outage is not deemed resolved (i.e., power restored for less than 12 hours) is considered part of the 96 consecutive hours.

Claim Process and Payment Options

Outage Credit. To receive the \$25 daily credit, customers affected by outages must experience an outage for 96 consecutive hours followed by at least one 24-hour period (i.e., 120 hours total, see PURA decision, pp. 10 & 11). Customers receive an additional \$25 dollars for every 24 hours that pass. The credit must then generally be applied to affected customers' billing accounts.

To determine who qualifies for the credits, EDCs must send data to PURA showing which customers were affected by the outage within 45 days after restoration is substantially complete (i.e., at least 99% of customers have power restored). The identified customers' billing accounts must be credited within 60 days after power restoration is substantially complete (though this timeline may be affected by waiver applications, see below). In addition, among other things, EDCs must notify all customers about the opportunity to submit a claim if they think they may qualify but were not credited and provide a process for customers to dispute a denied or partially denied claim (PURA decision, pp. 11-15).

Food and Medicine Compensation. To receive compensation for spoiled food or medicine, customers must submit a claim to the EDC and attest that their spoiled food or medicine resulted from the outage. Customers do not need to prove the dollar amount of the spoiled food or medicine involved. If granted, the EDC mails a \$250 check to the customer unless the customer chooses to have the amount credited to their billing account.

To establish which customers are eligible for this compensation, EDCs must follow the same procedure they use to determine eligibility for the daily credits. And like the process for the daily credits, the EDCs must notify all customers about how to submit a claim and provide a dispute process for customers with denied or partially denied claims.

Customers must receive their compensation within the later of (1) 60 days after power is substantially restored or (2) 45 days after filing their application (PURA decision, pp. 15-19) (though this timeline may be affected by waiver applications, see below).

Waivers

Both laws allow the EDCs, within 14 days after an emergency, to petition PURA for a waiver from the requirements to provide account credits and compensation for lost food and medicine. The petitions must be conducted as contested cases and the EDCs have the burden to prove that a waiver is reasonable and needed.

By law, the petitions must include (1) the emergency's severity and (2) line and restoration crew safety issues and conditions on the ground. PURA's decision also requires the petitions to provide, among other things, (1) an explanation of why the waiver is reasonable and needed; (2) a damage assessment; (3) an explanation of why improvements, programs, and other efforts were not enough to make the waiver unnecessary; and (4) certain specified information to help PURA timely evaluate the waiver petition, such as NWS and wind data, field work start times, hourly restoration data, and restoration times (p. 19).

When deciding to grant a waiver, the laws require PURA to consider if the petitioning EDC received approval and reasonable funding allowances to meet infrastructure resiliency efforts to improve its performance. PURA's decision specifies that the timeframe for the waiver application process (from application filing to PURA's final decision) varies by the level of emergency involved but is generally within 60 days. Payments, except for the lowest level emergency, are suspended until the application is adjudicated (pp. 20-23).

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