

## **OPENING STATEMENT PENNI M. CONNER**

Good morning, Chairman Gillett, Vice-Chairman Betkoski, Commissioner Caron and Authority Staff. My name is Penni Conner, and I am the Chief Customer Officer and Senior Vice President of the Customer Group for Eversource Energy.

Today, my colleagues and I are here to represent the Company in responding to the concerns of our customers, legislators and other representatives, regarding the rate changes under review in this proceeding. I want to tell you that the anger and depth of customer concern expressed this morning, and throughout this ordeal, is deeply troubling to me, yet understandable under the circumstances. Every employee at Eversource takes a great deal of pride in the work that we do. Every day we strive to meet the needs and expectations of customers. And the pain we are hearing is in total contradiction to the way we work and want to interact with our customers.

I have read more than 1,500 letters and emails submitted to the Authority regarding the July rate change. This morning, we have listened very carefully to the comments of elected officials and this afternoon we will continue to listen to our customers, who have taken the time to participate in this hearing. There is one key theme that resounds throughout these communications, which is the disappointment and anger that customers feel in having *any* rate change take effect during this unprecedented time of hardship. By my read, nearly 100 percent of these communications are from customers who are suffering severe challenges in making ends meet due to the fact that they have lost their jobs, have been furloughed or are on fixed incomes. For this reason, there is no doubt that the regular timing of the July 1<sup>st</sup> rate adjustment, in the middle of the COVID-19 pandemic, came at the worst possible time for customers.

Today, I am here, along with my colleagues to

- Try to answer some of the concerns we are hearing from customers by providing an explanation of the drivers of the July 1<sup>st</sup> rates increase and how the rates were calculated;

- To provide information that will facilitate the Authority's re-examination of those rates;

- And, to discuss solutions that will help our customers during this period of financial hardship.

In retrospect, we recognize that the communications with customers explaining the causes of the increase of certain rate components, particularly through media channels, was insufficient and only conveyed two of the three reasons for the overall bill increase. That was not our intent. We realize now that in these difficult times that we should have done more to ensure our customers and constituents were aware of the upcoming changes in rates.

Energy bills often increase in the summer. However, as the Authority appropriately recognized in its Notice of this hearing, due to COVID, customers are staying at home with active lifestyles that contributed to their usage increase, as compared to last year. Many of our customers and their families are working and staying at home using air conditioners, fans, computers, televisions, and other electrical appliances, increasing electric load for these customers. We've determined that usage for our residential customer class increased 36% between May and June of this year, and the average energy usage in June of this year was 26% higher than June of last year. Additionally, this past June was warmer, resulting in 20% more cooling degree days than June of last

year. According to the Hartford Courant, July's 10-day heat wave with temperatures above 90 degrees tied Connecticut's all-time record, set in 1995.<sup>1</sup>

We now know that increased energy usage was a key driver behind the higher than anticipated electric bills our customers contacted us about. However, these usage-driven bill impacts were also a function of the July 1<sup>st</sup> increase in two of our delivery service rates, which are: first, the non-bypassable federally mandated congestion charge or "NBFMCC" rate", which predominantly recovers the costs of state public policy programs; and, second, our Transmission Adjustment Clause, which recovers Connecticut's share of the cost of the regional transmission grid. Approximately 88% of the July bill impacts, on average, were attributable to increased customer usage, and the remaining 12% was mainly attributable to increases to the Company's NBFMCC and transmission rates, and other smaller rate components. My colleague, Doug Horton, is here with me today to provide an overview and explanation of these two rate components and their calculation.

Lastly, let me share with you some of the steps the Company has already taken, consistent with the Authority's COVID-19 Payment Program, to help our customers and let them know about ways to manage their energy bill. The Authority deserves credit for directing all utilities and electric suppliers to implement the COVID-19 Payment Program. This program has been vital in assisting residential, commercial and industrial customers, who are facing unexpected hardships and difficulty in paying their utility bills. During the

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<sup>1</sup> On August 22, 2020, the Hartford Courant ran an article entitled, "*July Was the Hottest Month on Record.*" By the "hottest month," the article is referring to global temperatures. However, the article cites Alan Dunham, a meteorologist at the National Weather Service office in Taunton, Mass., said Connecticut's all-time hottest July was in 2013, with an average of 77.9 degrees. But last month's 10-day heat wave (consecutive days with temperatures above 90) did manage to tie Connecticut's all-time record, which was set in 1995.

months of June and July alone, the Eversource Customer Care team worked with more than 150,000 customers on their billing questions providing them with customized solutions that ranged from budget billing, extended payment plans and ways to save energy.

To our customers, regulators and elected officials, I want to reiterate that we hear you.

My colleagues and I are here to answer your questions and cooperatively explore other workable solutions that will give our customers further financial relief, while also appropriately balancing the need for the Company to collect the revenues necessary to maintain essential utility services. This concludes my remarks.

I'll now turn this over to my colleague, Doug Horton. Thank you.