STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY
TEN FRANKLIN SQUARE
NEW BRITAIN, CT 06051

DOCKET NO. 17-12-03RE11 **PURA INVESTIGATION INTO DISTRIBUTION SYSTEM PLANNING OF THE ELECTRIC DISTRIBUTION COMPANIES – NEW RATE DESIGNS AND RATES REVIEW**

November 20, 2024

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DECISION

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DECISION

I. INTRODUCTION

A. SUMMARY

The Public Utilities Regulatory Authority (PURA or Authority) finds that changed conditions since the inception of the two-tiered low-income discount rate (LIDR) warrant modifications to the Authority's October 19, 2022 Decision in the instant proceeding (LIDR Decision). Consequently, the Authority orders The Connecticut Power and Light Company d/b/a Eversource Energy (Eversource) and The United Illuminating Company (UI; jointly, EDCs or Companies) to implement a five-tiered LIDR in place of the former two-tiered LIDR in accordance with the direction provided in the Decision.

B. BACKGROUND OF THE PROCEEDING

In 2019, the Authority established a goal of advancing the energy affordability dialogue within the state, particularly for underserved communities.[1] Beginning in March 2020, the global COVID-19 pandemic significantly impacted the State of Connecticut and its residents. During this time, in response to an emergency petition filed by the Attorney General, the Authority required the Public Service Utilities to cease water, electric, and gas shut-offs, and to create flexible payment plans for any customer requesting financial assistance.[2] Connecticut residents were also eligible for increased energy assistance resulting from federal COVID-19 relief funding, specifically, one-time rental and electric utility assistance through UniteCT and additional Connecticut Energy Assistance Program (CEAP) funds from increased federal block grant funding through the Low Income Home Energy Assistance Program. See American Rescue Act of 2021, Public Act 117–2, § 2911, 135 STAT. 4, 51 (2021).

The Authority has pursued multiple initiatives to improve existing programs and offerings for residential customers seeking energy assistance. These initiatives include, among other things, expanding flexible payment arrangement offerings for residential customers and creating a comprehensive annual review proceeding regarding energy affordability matters of electric and gas utility customers in the state.[3] See Decision April 22, 2022, in Docket No. 21-07-01, Application of The Connecticut Light and Power Company and Yankee Gas Services Company, each Individually d/b/a Eversource Energy, The United Illuminating Company, Connecticut Natural Gas Corporation, and The Southern Connecticut Gas Company for Approval of Arrearage Forgiveness Program 2021-2022.

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[1] In the Interim Decision dated October 2, 2019, in Docket No. 17-12-03, PURA Investigation into Distribution System Planning of the Electric Distribution Companies (Equitable Modern Grid Decision), the Authority outlined the overarching objectives for establishing an equitable modern grid in Connecticut, which included energy affordability.

[2] See Docket No. 20-03-15, Emergency Petition of William Tong, Attorney General for the State of Connecticut, for a Proceeding to Establish a State of Emergency Utility Shut-Off Moratorium.

[3] For the current annual review, see Docket No. 24-05-01, 2024 Energy Affordability Annual Review.

Despite the modifications designed to improve customers' access to and ability to successfully participate in utility programs in recent years, with the exception of CEAP, existing energy assistance offerings in Connecticut have historically been designed to assist customers with an existing arrearage. However, as the PURA Office of Education, Outreach, and Enforcement (EOE) and other Parties have noted, existing offerings are not designed to enable customers to improve their ability to pay their utility bills *prior* to accruing an arrearage. See, e.g., EOE Written Comments, Jan. 27, 2021.

On October 2, 2020, the Connecticut General Assembly passed Public Act 20-5, An Act Concerning Emergency Response by Electric Distribution Companies, the Regulation of Other Public Utilities and Nexus Provision for Certain Disaster-Related or Emergency-Related Work Performed in the State (Take Back Our Grid Act). Section 5 of the Take Back Our Grid Act authorized the Authority to begin a proceeding to consider low-income rates by "[i]mplementing low-income . . . rates [that] better aligns public policy with electric utility performance and cost, providing needed relief to our poorest citizens." 63 S. Proc. Part 3, 2021 Special Sess., p. 985. The members of the Connecticut General Assembly opined "it was important [ ] to signal [their] intent and to show [their] constituents that [they] are listening." 63 H.R. Proc., Pt. 3, 2020 Special Sess., p. 1511.

The Authority subsequently established the instant proceeding to consider the implementation of an interim rate decrease, low-income rates, and economic development rates for electric utility customers. In earlier phases of this proceeding, the Authority effectuated an interim rate decrease for all Eversource and UI residential, commercial, and industrial customers in 2021. See Interim Decision, June 23, 2021, Docket No. 17-12-03RE11; Interim Decision, Oct. 27, 2021, Docket No. 17-12-03RE11. In addition, the Authority directed Eversource to offer an optional interim tariff for its existing commercial customers (i.e., Rate 30 and Rate 27) that reduces the demand charge component of the existing tariff at least until the Company's next rate case proceeding. See Interim Decision, June 23, 2021, Docket No. 17-12-03RE11. The volumetric tariff option is intended to provide timely economic relief for small business customers with low demand recovering from the COVID-19 pandemic. See id.

On October 19, 2022, the Authority issued the LIDR Decision that established a two-tiered LIDR for income-eligible residential electric customers.

On February 26, 2024, Eversource filed a motion (Motion No. 85)[4] requesting confirmation and a technical meeting regarding directives provided in the LIDR Decision. Motion No 85, p. 3. Eversource reported that it currently had about 100,000 customers enrolled in LIDR. Id. Eversource stated that the Company and the Department of Social Services (DSS) signed an opt-out data sharing agreement in January 2024. Id., p. 2. As a result of analyzing the DSS-provided data, Eversource asserted that approximately 100,000 additional customers are eligible for LIDR, and of those additional customers,

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[4] Eversource cross-posted Motion No. 85 in Docket No. 17-12-03RE11 and as Motion Nos. 41 and 9 in Docket Nos. 23-05-01, Annual Review of Affordability Programs and Offerings (Energy Affordability Annual Review), and 24-01-03, PURA Annual Review of the Rate Adjustment Mechanisms of The Connecticut Light and Power Company, respectively. The Authority herein refers to the filing as Motion No. 85.

approximately 95,000 are eligible for the Tier 2 discount.[5] Id., pp. 2–3. Additionally, the DSS data identified about 20,000 customers already enrolled on Tier 1 that are eligible for Tier 2. Id., p. 4. Eversource estimated that auto-enrolling these additional customers would create about $100 million in incremental annual LIDR expense in 2024, for a total of over $170 million in annual LIDR cost for calendar year 2024.[6] Motion No. 85, p. 3.

On March 8, 2024, the Authority issued a Notice of Request for Written Comments (Written Comments Notice) to solicit stakeholder feedback regarding Eversource's request. Specifically, the Authority requested, *inter alia*, that Parties and Intervenors provide a recommendation based on five potential scenarios presented for review, and to describe why or why not each scenario was preferred. Written Comments Notice, p. 4. Alternatively, the Written Comments Notice provided Parties and Intervenors with the opportunity to submit their own alternative recommendation. Id.

On April 8, 2024, the Authority issued a ruling on Motion No. 85 (Motion No. 85 Ruling) that directed the EDCs to enroll all DSS-identified customers onto Tier 1, regardless of their tier eligibility. Motion No. 85, p. 5. The Authority provided Parties and Intervenors the opportunity to request a hearing as Motion No. 85 constituted a change to the direction provided in the LIDR Decision. Id. Operation Fuel, Inc. (Operation Fuel) and the Center for Children's Advocacy (CCA) requested a hearing. CCA Corresp., Apr. 10, 2024; Operation Fuel Corresp., Apr. 10, 2024. However, the Authority subsequently canceled the scheduled hearing and initiated a proceeding "to investigate whether modifications to the LIDR Decision are appropriate." Notice of Cancelation of Hearing, Apr. 11, 2024; Notice of Proceeding, Apr. 16, 2024.

C. CONDUCT OF THE PROCEEDING

On April 26, 2024, in the interest of balancing estimated rate impacts and ensuring the longevity of the program overall, the Authority temporarily stayed the requirement that the EDCs enroll the additional customers identified through DSS-provided data into the appropriate LIDR tier while the Authority investigates modifications to the LIDR Decision.[7] Notice of Temporary Stay, April 26, 2024, p. 2. In the interim, the Authority directed the EDCs to immediately provide a Tier 1 discount to the additional customers identified

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[5] In contrast, Eversource provided an initial estimate of 200,000 eligible customers, of which 60% would be eligible for the Tier 1 discount and 40% would be eligible for the Tier 2 discount. LIDR Decision, p. 24. Using this estimate, the Authority then calculated an annual LIDR cost of approximately $32 million for Eversource. Id., pp. 24–25. Eversource subsequently provided an updated cost estimate of $35.1 million per year based on an estimated 80,000 eligible financial hardship electric accounts. Eversource Compliance, Dec. 20, 2022, Docket No. 17-12-03RE11, Att. A.

[6] According to Eversource, the potential $170 million in LIDR program costs would represent more than 3% of the Company's total billed sales. Motion No. 85, p. 6.

[7] In addition, the Authority temporarily stayed the requirement that the EDCs enroll the additional customers identified through DSS-provided data into the appropriate LIDR tier due to concerns that the unforeseen costs to ratepayers associated with such enrollments may result in the ending of the LIDR program. Id., n.3.

through DSS-provided data, regardless of their eligibility for a specific tier.[8] Id. The Authority required this interim step rather than imposing a temporary stay on all enrollments of the additional customers as a mitigating measure. Id.

Contemporaneously with the Notice of Temporary Stay, the Authority initiated a proceeding to investigate whether modifications to the LIDR Decision are appropriate. Notice of Proceeding, April 26, 2026, p. 1. The Authority also issued a Procedural Order directing Eversource and UI, and inviting all Parties and Intervenors, to submit pre-filed testimony, and any documentation in support thereof, no later than May 24, 2024, on the following topics: (1) whether the LIDR Decision should be modified; and (2) if so, a detailed proposal outlining what modifications should be made, e.g., creation of additional tiers, and why; and (3) an analysis of estimated annual LIDR expenses based on the proposed modifications. Notice of Procedural Order, Apr. 26, 2024, p. 2. In addition, the Authority directed the EDCs to include in their pre-filed testimony an estimated timeline and costs to implement any such proposed modifications to the LIDR. Id. The Authority also invited all Parties and Intervenors to submit rebuttal testimony no later than June 7, 2024.

On June 18, 2024, the Office of Consumer Counsel (OCC) submitted a motion (Motion No. 91) requesting that the Authority modify the procedural schedule and add a technical meeting to "allow for the participation of [DSS], discussion of parties' pre-filed testimony, and other proposals prior to the hearing scheduled for July 24, 2024." Motion No. 91, p. 1. Subsequently, the Authority granted Motion No. 91.

The Authority issued interrogatories on June 25, 2024. OCC issued interrogatories on June 17 and July 5, 2024.

The Authority held a noticed virtual technical meeting on July 22, 2024.

The Authority held a noticed evidentiary hearing on July 24, 2024, at PURA's offices (PURA's Offices), Ten Franklin Square, New Britain, Connecticut, and a noticed late filed exhibit hearing on September 6, 2024, at PURA's Offices.

Parties and Intervenors had the opportunity to file briefs on or before October 7, 2024.

On October 23, 2024, the Authority issued a Proposed Final Decision in this proceeding. All Parties and Intervenors were given the opportunity to file Written Exceptions to the Proposed Final Decision.

D. PARTIES AND INTERVENORS OR PARTICIPANTS

The Authority recognized the following as Parties to this proceeding: Eversource, 107 Selden Street, Berlin, CT 06037; UI, 180 Marsh Hill Road, Orange, CT 06477; OCC, Ten Franklin Square, New Britain, CT 06051; the Commissioner of the Department of

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[8] This does not, however, preclude a customer who is eligible for a Tier 2 discount from receiving such discount if the customer provides the requisite proof of verification documentation for Tier 2 eligibility directly to the EDC.

Energy and Environmental Protection, 79 Elm Street, Hartford, CT 06106; the Office of the Attorney General, Ten Franklin Square, New Britain, CT 06051; and EOE, Ten Franklin Square, New Britain, CT 06051.

The Authority granted Intervenor status to the following: Solar Connecticut, Inc.; the Connecticut Industrial Energy Consumers (CIEC); Key Capture Energy; Connecticut Legal Services, Inc.; Northeast Clean Energy Council; Operation Fuel; CCA; and Walmart, Inc.

II. LIDR DECISION SUMMARY

A. LIDR DISCOUNT STRUCTURE

The Authority established a two-tiered LIDR for residential electric customers whereby Tier 1 provides eligible customers a 10% discount on their total monthly bill and Tier 2 provides eligible customers a 50% discount on the total monthly bill. LIDR Decision, p. 2. The Authority, incorporating feedback from Parties and Intervenors, adopted two objectives for the creation of a LIDR: (1) achieve energy affordability, as defined by the allocation of no more than 6% of annual household income spent on building energy costs; and (2) reduce uncollectible expenses paid by all ratepayers, in part, by reducing the need for service disconnections and reconnections. Id., pp. 8–9.

Additionally, the Authority directed the EDCs to implement the LIDR no later than January 1, 2024. Id. Parties and Intervenors agreed that implementation of an ongoing, opt-out data sharing solution between the EDCs and DSS would be "the most timely and efficient approach to [LIDR] eligibility verification." Id., p. 15. As such, the Authority approved the EDCs' use of the data sharing solution to identify LIDR Tier 1 and Tier 2 eligibility. LIDR Decision, pp. 14–16. However, given that such a data sharing agreement was not in place at the time of the LIDR Decision, the Authority authorized several alternative approaches to LIDR eligibility verification in the interim. Notably, the Authority stated that "[t]he creation of additional tier(s) may be appropriate once an opt-out data-sharing agreement is reached between the EDCs and DSS." Id., pp. 13–14.

B. CUSTOMER IDENTIFICATION AND ELIGIBILITY VERIFICATION

The Authority is committed to establishing, to the extent achievable within its purview, coordinated customer identification and eligibility verification processes to ensure that customers who qualify for a LIDR receive it as efficiently and quickly as possible. Id., p. 15. Consequently, the Authority directed the EDCs to, in the absence of an opt-out data-sharing agreement implemented with DSS, automatically enroll all customers designated as financial hardship and all electric customers receiving CEAP awards into Tier 1 of the LIDR no later than August 1, 2023. Id. Thereafter, the EDCs shall auto-enroll any new and continuing customers onto Tier 1 when a customer's financial hardship designation or CEAP award is established, or renewed, respectively. LIDR Decision, p. 15. Additionally, the Authority directed the EDCs to, through their Customer Service Representatives (CSRs) and any other utility enrollment mechanisms, accept proof of verification documentation for Tier 1 or Tier 2 eligibility from customers who opt in to receive a LIDR no later than August 1, 2023, and continuing throughout LIDR implementation. Id., pp. 15–16. The Authority also directed the EDCs to create a comprehensive communications plan to appropriately notify and educate eligible residential customers about the new LIDR offering, and to ensure customers are afforded sufficient notice to provide proof of eligibility and enroll in a LIDR. Id., p. 19.

C. LIDR Costs

The Authority initially calculated an estimated gross annual cost of LIDR implementation, without netting any reductions in uncollectible expenses or other ratepayer or societal benefits, of $32 million for Eversource and $39 million for UI. LIDR Decision, pp. 24–25. The calculation did not include the EDCs' implementation and administrative costs. Id., p. 25. Based on record evidence, the Authority assumed an approximate total of 286,006 participating Tier 1 and Tier 2 UI and Eversource customers, with 164,212 total Tier 1 participants and 121,794 total Tier 2 participants. Id. Although the Authority opined that the estimate was largely overstated, it nevertheless established a monthly usage cap. Id. The Authority determined that the monthly usage cap was an appropriate cost control mechanism and was consistent with energy conservation objectives. LIDR Decision, p. 25. Accordingly, the Authority set a monthly usage cap based on the reported third quartile of the EDCs' 2021 hardship customer usage data, to be applied to LIDR customers on Eversource's Rates 1, 5, and 7, and UI's Rates R and RT. Id., p. 26. Table 1, below, summarizes the monthly usage caps applied to LIDR.

Table 1: Monthly Usage Caps Applied to LIDR

Eversource's Rate 1; UI's Rate R	Eversource's Rate 5 & Rate 7; UI's Rate RT
800 kilowatt-hour (kWh)/month	1,200 kWh/month

The Authority also explored the potential of a budgetary target as a cost control mechanism for implementation of the LIDR but declined to institute one. Id., pp. 26–17. The Authority did, however, direct the EDCs to track the total costs of LIDR implementation as a percentage of each EDC's total billed sales as a key metric. Id., p. 27. The Authority also announced that it would consider whether additional cost control measures, such as a budgetary target, are warranted by reviewing the data collected and the impact of the LIDR on both participating and non-participating customers. LIDR Decision, p. 27.

D. LIDR Implementation Costs and Timeline

Both Eversource and UI provided initial estimated costs and a timeline for implementation of a LIDR. Id., pp. 28–29. Specifically, Eversource initially estimated it would cost $3.6 million and take 16 months to implement LIDR. Id., p. 28. UI initially estimated it would cost between approximately $400,000 and $700,000 and take 5 months to implement LIDR. Id., p. 29.

Notwithstanding, the Authority directed the EDCs to submit a detailed LIDR implementation cost estimate (Updated LIDR Cost Estimate) based on the direction provided in the LIDR Decision. Id., pp. 27, 41. Although the EDCs indicated the cost to accommodate the inclusion of additional tiers in the future would be nominal, the Authority explicitly directed the EDCs to include in each of their Updated LIDR Cost Estimates the cost to configure the EDC's system so as to accommodate the inclusion of an additional one or more tiers in the future. Id. In its Updated LIDR Cost Estimate, Eversource estimated it would cost $3.5 million to implement LIDR by January 1, 2024, including the cost to accommodate the inclusion of three additional tiers in the future. Eversource Compliance, Dec. 20, 2022 (Eversource Order No. 1 Compliance), p. 3; Eversource Order No. 1 Compliance, Att. A, p. 2. In its Updated LIDR Cost Estimate, UI estimated it would cost $850,243 to implement LIDR by January 1, 2024, including the cost to accommodate the inclusion of three additional tiers in the future. UI Compliance, Jan. 16, 2023, Att. B.

III. STANDARD OF REVIEW

A. REGULATION OF ELECTRIC DISTRIBUTION COMPANIES

Eversource and UI are "electric distribution companies" and "public service companies" and, as such, are subject to regulation by the Authority under Title 16. See General Statute § 16-1(a)(3), (23).

The Authority is authorized to initiate a proceeding to consider, *inter alia*, the implementation of low-income rates for customers of EDCs, pursuant to PURA's authority in General Statutes §§16-19e, and 16-19oo. General Statutes § 16-19zz. The Authority has an obligation to establish the level and structure of such rates consistent with the following principles:

> (4) that the level and structure of rates be sufficient, but no more than sufficient, to allow public service companies to cover their operating costs including, but not limited to, appropriate staffing levels, and capital costs, to attract needed capital and to maintain their financial integrity, and yet provide appropriate protection to the relevant public interests, both existing and foreseeable . . . ; and
>
> (5) that the level and structure of rates charged customers shall reflect prudent and efficient management of the franchise operation.

General Statutes §16-19e(a).

Further, in the context of restructuring the electric industry, the General Assembly explicitly recognized the important role of electricity in Connecticut and articulated additional principles that are broadly applicable and provide guidance in the Authority's oversight of the EDCs and the EDCs' obligations to the public:

> (1) The provision of affordable, safe and reliable electricity is key to the continuing growth of this state and to the health, safety and general welfare of its residents;...(4) It is in the best interest of the state to reduce rates for electricity to all customer classes [and] to prevent cross subsidization among customer classes...while retaining a regulated distribution system to ensure reliability;...(8) The assurance of safe, reliable and available electric service to all customers in a uniform and equitable manner is an essential governmental objective and a restructured electric market must provide adequate safeguards to assure universal

service and customer service protections;...(12) It is in the best interest of the state for all customers to use electricity as efficiently as possible.

General Statutes § 16-244.

Consequently, the implementation of low-income rates for EDC customers falls squarely within the Authority's jurisdiction.

B. Modifications of Authority Decisions

As part of its regulatory responsibility and function, the Authority is permitted to reexamine any of its prior decisions or authorizations to ensure that its regulation of public service companies continues to adhere to the foundational principles enumerated in General Statutes § 16-19e. Specifically, under the Uniform Administrative Procedures Act, General Statutes §§ 4-166 *et seq.* (UAPA), and PURA's enabling statutes, the Authority may reverse, modify, rescind, or alter any of its decisions. See General Statutes § 4-181a(b) ("On a showing of changed conditions, the [Authority] may reverse or modify the final decision, at any time, at the request of any person or on the agency's own motion."); General Statutes § 16-9 (the Authority "may, at any time, for cause shown, upon hearing had after notice to all parties in interest, rescind, reverse or alter any decision, order or authorization by it made.").

IV. AUTHORITY ANALYSIS

A. Changed Conditions Since the LIDR Decision

Eversource initially estimated that 200,000 of its customers were eligible for LIDR, of which 60% would be eligible for the Tier 1 discount and 40% would be eligible for the Tier 2 discount. LIDR Decision, p. 24. Using this estimate, the Authority then calculated an annual LIDR cost of approximately $32 million for Eversource. Id., pp. 24–25. Eversource subsequently provided an updated cost estimate of $35.1 million per year based on an estimated 80,000 eligible financial hardship electric accounts. Eversource Order No. 1 Compliance, Att. A, p. 2.

In February 2024, Eversource reported it had about 100,000 customers enrolled in LIDR. Motion No. 85, p. 3. Eversource stated that it signed an opt-out data sharing agreement with DSS in January 2024. Id., p. 2. As a result of analyzing the DSS-provided data, Eversource asserted that approximately 100,000 additional customers are eligible for LIDR and, of those additional customers, approximately 95,000 are eligible for the Tier 2 discount. Id., pp. 2–3. Additionally, the DSS data identified about 20,000 customers already enrolled on Tier 1 that are eligible for Tier 2. Id., p. 4. Accordingly, Eversource estimated that auto-enrolling these additional 100,000 customers would effectively double the total LIDR enrollments and therefore create about $100 million in incremental annual LIDR expense, for a total of over $170 million in annual LIDR cost for calendar year 2024. Motion No. 85, p. 3.

Similarly, UI also signed an opt-out data sharing agreement with DSS in January 2024. Late Filed Ex. 30. UI reported that DSS identified an additional 16,995 new LIDR-eligible customers through the opt-out data sharing agreement, of which 15,635 customers are eligible for Tier 2. UI Written Comments, Mar. 27, 2024 (UI March

Comments), pp. 2–3. UI estimated that enrolling such DSS-identified customers could result in an additional annual cost of $19 million. Id. Prior to DSS opt-out data sharing, UI reported 29,901 accounts designated financial hardship (i.e., therefore, auto-enrolled on LIDR) as of December 31, 2023. Late Filed Ex. 30. As of June 30, 2024, UI reported that there were 57,444 customers designated financial hardship. Id.

The Authority finds that the volume of additional customers identified through DSS-provided data as eligible for the Tier 2 discount and the cost associated with providing a Tier 2 discount to such additional customers far exceeds the numbers and cost anticipated in the LIDR Decision and subsequent estimates provided by the EDCs in response to Order No. 1 of the LIDR Decision. See LIDR Decision, p. 24; Eversource Order No. 1 Compliance, Att. A; UI Compliance, Jan. 17, 2023, Att. B. Accordingly, based on these changed conditions, the Authority determines that modifications to the LIDR Decision are warranted.

B. MODIFICATIONS OF LIDR DECISION

1. Additional LIDR Tiers

a. EDC Proposals

The EDCs support modifying the LIDR Decision and establishing additional LIDR tiers or otherwise adjusting the tier discount levels. UI Prefiled Test., June 7, 2024 (UI PFT), pp. 3–5; Eversource Prefiled Test., June 7, 2024 (Eversource PFT), pp. 6, 9.

UI first recommended reviewing a full year of LIDR-related energy affordability data prior to implementing any modifications. UI PFT, p. 3. Specifically, UI posited that LIDR could impact “account arrearages, recovery costs for write-off debt, and matching payments to Matching Payment Program (MPP) and Bill Forgiveness Program (BFP) customer payments.” Id. Therefore, LIDR could lower other costs related to uncollectibles and matching payments thereby offsetting the increased LIDR program cost. Id. However, if the Authority directed the EDCs to establish a third LIDR tier, UI recommended that there be a “mid-way tier” created between the existing two tiers. Id., p. 5. In other words, the new tier would provide a discount higher than the Tier 1 10% discount but lower than the Tier 2 50% discount. UI PFT, p. 5. As such, UI suggested a three-tier LIDR structure with discount levels of 10%, 30%, and 50%, respectively. Id., p. 6. UI cautioned that any new tier should still be aligned with DSS public benefit income guidelines to ensure that customers could still be enrolled through the DSS data matching process. Id., p. 5.

In the interim, UI provided two proposals to reduce LIDR implementation costs. Id., p. 4. First, UI recommended that DSS-identified customers continue to be enrolled on LIDR Tier 1 and allowed to contact the EDCs to apply for LIDR Tier 2. UI PFT, p. 4. Second, UI recommended that if further cost savings are required prior to implementing a long-term modification to the LIDR structure, the EDCs could lower the Tier 2 discount from a 50% to 40% discount. Id., p. 4. According to UI, this could result in cost savings of approximately $9 million per year. Id. UI recommended implementing any tier modifications, whether the Tier 2 discount or adding a third tier, when customers re-certify their LIDR eligibility. Id., pp. 4, 8.

Eversource proposed dividing the existing Tier 2-eligible population into additional tiers. Eversource PFT, p. 6. Specifically, Eversource recommended the creation of three additional tiers for a five-tiered LIDR. Id., p. 9. Eversource opined that a five-tiered LIDR allows customers to avoid a discount "cliff" when their income increases. Id., p. 12. Rather than drop from a 50% to 10% discount, under a five-tiered structure customers would gradually shift up and down discount levels with shifts in income. Id., p. 12. As such, Eversource suggested a five-tiered LIDR structure with discount levels of 10%, 20%, 30%, 50%, and 75%, respectively. Eversource PFT, p. 13; Eversource PFT, Ex. 1. Eversource opined that over the long term, a discount above 50% may be necessary for the lowest income customers, such as those on State Supplemental Income, i.e., SSI. Hr'g Tr., July 24, 2024, 79:11–20, 121:3–16. Specifically, Eversource asserted that a 75% discount would allow such customers to receive about a $50 monthly energy bill. Tr., 122:9–13. Eversource also recommended that any additional tiers should align with DSS public benefit income eligibility criteria to allow for DSS data sharing and categorical eligibility. Eversource PFT, pp. 10–12.

b. Stakeholder Comments

Operation Fuel opined that the Authority should not make any modifications to the LIDR Tier 2 at this time. Operation Fuel Prefiled Test., June 7, 2024 (Operation Fuel PFT), pp. 2, 8. Overall, Operation Fuel emphasized that Connecticut residents still struggle to pay their energy bills and requests for assistance are increasing significantly. Id., pp. 3–4. Operation Fuel conducted a Connecticut energy affordability study in 2023. Id., p. 4. According to Operation Fuel, about 424,000 households experience unaffordable home energy costs with an affordability gap (i.e., the difference between a household's energy bills and what the household can afford to pay) of over $600 million. Id. Further, Operation Fuel shared that many of their applicants are already enrolled in LIDR, demonstrating that even with a discount such customers still need assistance to afford their bills. Operation Fuel PFT, pp. 5–6. Operation Fuel further opined that this shows "the new [LIDR] hasn't fully become effective yet." Id., p. 6. Based off of these experiences, Operation Fuel opined that the Tier 2 50% discount can actually allow customers to afford their energy bills, whereas the Tier 1 10% discount cannot. Id., pp. 6–7.

If the Authority determines that the LIDR Decision must be modified, Operation Fuel provided two tier modification proposals. Id., p. 8. First, Operation Fuel suggested that the Authority eliminate Tier 1 and focus only on effectively implementing Tier 2. Operation Fuel PFT, p. 8. However, if additional tiers must be created, Operation Fuel posited that the existing Tier 2 income eligibility be divided into a 30% discount and a 50% discount. Id. The 30% discount could serve customers with incomes of up to 160% of the Federal Poverty Level (FPL) and the 50% discount could serve those with incomes of up to 125% FPL. Id. Therefore, the modified tiers would provide the greatest discount to the lowest income customers. Id. However, Operation Fuel warned that modifying the LIDR structure so early in its implementation could "degrade the trust" that customers have in Operation Fuel and other community assistance organizations. Operation Fuel PFT, p. 7. As such, modifications to LIDR could undermine the efforts of organizations like Operation Fuel and community action agencies (CAA) in LIDR education and enrollment and the relationships built with clients. Id.

c. DSS Eligibility Data

DSS provided a five-tiered LIDR structure with suggested income eligibility guidelines and corresponding state and federal benefit programs for categorical eligibility. OCC Corresp., July 21, 2024, LIDR Tiers. DSS further provided estimated numbers of individuals or households, depending on the eligibility requirements, enrolled in each program. Id.; Tech Mt'g Tr., July 22, 2024, 22:10–16, 32:4–10. The DSS database largely does not hold household level participation data for its administered programs. Tech Mt'g Tr., 22:12–16. DSS also warned that this data was not "de-duplicated" and thus could count a single customer multiple times if they participate in multiple benefit programs. Id., 22:1–10, 56:21–24. As such, DSS stated that staff would require additional time and effort to provide de-duplicated participation data at the household level for LIDR analysis. Id., 65:12–21. Finally, while DSS shared that the agency does have reporting on CEAP household participation for each benefit tier, the actual data matching of CEAP recipients occurs between the EDCs and CAAs. Id., 41:9–19, 50:14–22. Specifically, the information reporting individual enrollment on CEAP is only held at the CAA level and cannot be accessed by DSS. Tech Mt'g Tr., 58:15–22.

Subsequently, DSS provided de-duplicated, household-level participation data for all customers eligible for each tier under the proposed five-tiered LIDR structure. OCC Corresp., Sept. 3, 2024, Preliminary Results of Data Analysis (DSS Prelim. Results).

d. Authority Analysis

The Companies provided analyses of three-, four-, and five-tiered LIDR structures using DSS' de-duplicated household participation data to assess how much each LIDR scenario might cost.[9,10] Eversource Supp. Late Filed Ex. 27, Att. 1; UI Revised Supp. Late Filed Ex. 27, Att. 2. Each Company analyzed various levels of discounts for each tier. Id. However, while UI provided a tier sensitivity analysis that calculated the price for varying discount levels, Eversource provided an analysis of 10%, 20%, 30%, 40%, and 50% tier discounts, respectively. Id.

Eversource's analysis indicates that under a three-, four-, and five-tiered structure, the annual cost to fund the discount would reach about 2.07%, 1.99%, and 1.99%, respectively, of the Company's annual total billed revenue. Eversource Supp. Late Filed Ex. 27, Att. 1 (Eversource LFE-27). Therefore, under each modeled scenario, residential customers using an average usage of 700 kWh would receive a monthly bill increase of \$3.95, \$3.79, and \$3.79, respectively. Id., Tab "3-Tiers (DSS)", Tab "4-Tiers (DSS)", Tab

[9] Notably, UI's analysis does not include approximately 30,000 customers that were unaccounted for in DSS' data. Hr'g Tr., Sept. 6, 2024, 7:21–8:8. UI does not have the data required to understand why these customers are enrolled in LIDR and financial hardship yet are not reflected in DSS' corresponding eligible public benefit participation data. Id., 8:9–9:11, 9:16–10:11.

[10] The DSS data also did not represent every Eversource financial hardship customer. DSS Prelim. Results, p. 4. Specifically, DSS identified about 150,000 eligible customers while Eversource currently has about 200,000 customers enrolled on LIDR. Id., p. 2; Eversource Supp. Late Filed Ex. 27, Supp. Att. 1, Tab "DSS Program Tiers". However, Eversource applied the percentage of DSS-identified customers per tier with the remaining 50,000 non-DSS-identified customers and conducted the LIDR analysis with the resulting estimated customer tier distribution. Eversource Supp. Late Filed Ex. 27, Att. 1, Tab "5-Tier SES Proposed 06.07.24".

"5-Tiers (DSS)". Eversource's analysis also indicates that the average monthly bill impact for all electric customers would be $7.20, $6.91, and $6.91, respectively, for each modeled scenario. Id. However, this analysis does not take into account the Company's system benefits charge (SBC) cost allocation practice, which does not currently allocate SBC costs equally among all rate classes. Decision, Aug. 16, 2023, Docket No. 23-01-03, PURA Annual Review of the Rate Adjustment Mechanisms of The Connecticut Light and Power Company (2023 Eversource RAM Decision), p. 29. As such, the average cost estimate for all electric customers is not a complete assessment. LIDR cost allocation is discussed further in Section IV.B.5.d, LIDR Cost Allocation.

Additionally, Eversource provided a cost analysis for a five-tiered LIDR with discount levels of 10%, 20%, 30%, 50%, and 75%, respectively. Eversource LFE-27, Tab "5-Tier ES Proposed 06.07.24". Under this scenario, Eversource estimated an annual cost to fund the discount of 2.1% of the Company's annual total billed revenue with a monthly residential customer bill increase of $4.04. Id.

UI's price sensitivity analysis showed that under each three-, four-, and five-tiered modeled scenario, the cost to fund the discount would reach about 1.3%, 1.3%, and 1.2%, respectively, of the Company's annual total billed revenue.[11] UI Revised Supp. Late Filed Ex. 27, Att. 2 (UI LFE-27), Tab "p 5 of 24 3-Tier 40%", Tab "p 10 of 24 4-Tier 20% and 30%", Tab "p 24 of 24 5-Tier 20%, 30%, 40%". However, UI's analysis only included the approximately 30,400 customers identified through DSS' data sharing process, whereas UI currently has about 60,000 customers enrolled on LIDR. UI Revised Supp. Late Filed Ex. 27, pp. 1–2. Therefore, UI's analysis is not an accurate representation for what a modified LIDR would look like. Given that DSS only identified about 30,000 customers, UI did not have access to information regarding the income or eligibility under a modified LIDR structure for the remaining 30,000 LIDR participants.[12] Hr'g Tr., Sept. 6, 2024, 10:12–11:18. While the Authority understands that the remaining 30,000 customers are not necessarily evenly distributed throughout the LIDR tiers, the Authority calculated the potential LIDR cost impact with the full 60,000 LIDR participants by doubling the number of participants per tier. Under each scenario with approximately 60,000 LIDR customers, the Authority used the UI LFE-27 submission to calculate an annual cost of 2.6%, 2.5%, and 2.5%, respectively, of the Company's annual total billed revenue. This would potentially result in an average monthly residential bill impact of $5.50, $5.38, and $5.27, respectively.

DSS proposed using CEAP Level 1 as the corresponding categorically eligible public benefit for LIDR Tier 4. DSS Prelim. Results, p. 7. However, receipt of CEAP benefits is not included in the DSS data matching process and DSS does not have information on individual participation in CEAP or the CEAP tiers. Tech Mt'g Tr., 54:23–

[11] Eversource analyzed a three-, four-, and five-tiered LIDR structure using the following discount level structures: (1) 10%, 40%, 50%; (2) 10%, 20%, 30%, 50%; and (3) 10%, 20%, 30%, 40%, 50%. Eversource LFE-27. UI provided scenario analyses for multiple combinations of discount levels under each tier structure. UI LFE-27. As such, the Authority used UI's calculated scenarios that aligned with Eversource's analysis for comparison purposes.

[12] UI did report that the non-DSS identified 30,431 LIDR participants are comprised of 13,095 Tier 1 participants and 17,336 Tier 2 participants. UI Supp. Revised Late Filed Ex. 27, p. 1.

55:2. Only the CAAs have such information. Tr., 50:14–21, 58:15–25. Therefore, in order for customers to enroll on Tier 4, the only enrollment pathways for such customers are through the EDCs, CAAs, or Operation Fuel. Hr'g Tr., Sept. 6, 2024, 14:7–15:13. Additionally, in the Companies' LIDR tier analysis, the Companies did not have estimates for the number of customers that might be in Tier 4. UI estimated about 1,000 customers received CEAP Level 1 assistance by looking at their own records and calculating the number of customers that received various levels of CEAP awards during the 2023–2024 winter heating season. UI Rev. Late Filed Ex. 27, Rev. Att. 2, Tab "Estimated customers per tier". Eversource calculated that 11,000 customers received CEAP Level 1 awards by analyzing CAA records that detail CEAP assistance. Hr'g Tr., Sept. 6, 2024, 53:19–54:7. However, Eversource did not include that number in their analysis as those customers are likely included in other tiers due to receiving other eligible public benefits. Tr., 54:7–25. Nonetheless, Eversource could not identify whether or not those CEAP Level 1 recipients were represented in the analysis provided. Tr., 54:7–25, see also Eversource Supp. Late Filed Ex. 27, Att. 1. Eversource also opined that using the CEAP Level 1 benefit as the corresponding categorically eligible benefit for LIDR Tier 4 may further incentivize customers to apply for CEAP. Hr'g Tr., Sept. 6, 2024, 59:7–13.

Upon reviewing the DSS-provided data, the EDCs' analyses, and other record evidence, the Authority determines that a five-tiered LIDR with discounts of 5%, 15%, 20%, 40%, and 50%, respectively, is a beneficial and cost-effective design for low-income customers that also balances ratepayer impacts; see Table 2, see also Appendix A for corresponding categorically eligible public benefits. The five-tiered structure allows the LIDR to provide higher levels of benefits to the lowest income customers while limiting the overall cost burden to ratepayers.

Table 2: Authority's Approved five-tiered LIDR Modification

Tier	Discount
1	*212% – 275% FPL, Up to 60% SMI*
	5%
2	*161% – 211% FPL*
	15%
3	*126% – 160% FPL*
	20%
4	*101% – 125% FPL*
	40%
5	*Up to 100% FPL*
	50%

DSS Corresp., July 21, 2024, LIDR Tiers; Eversource Supp. Late Filed Ex. 27, Att. 2.

The Authority understands that implementing modifications at one time is quicker and more cost effective for the Companies' IT efforts; see Section IV.B.5, Implementation Costs and Timeline, below, where implementation cost and timeline are discussed further. As such, the Authority finds it preferable to establish a five-tiered LIDR structure now that can be easily modified in the future, rather than a three- or four-tier LIDR structure now that would require significant additional costs to modify in future years. Further, the Companies asserted that modifying the actual tier discount levels and eligibility requirements are relatively easy IT and communications efforts. UI Interrog. Resp. OCC-40, p. 1; Eversource PFT, p. 15. Therefore, the Authority determines that developing a five-tiered LIDR now is the most efficient use of ratepayer resources.

The Authority also concurs with Eversource that a five-tiered LIDR structure allows customers to avoid discount "cliffs" with potentially small shifts in household income. Additional tiers allow customers to more easily move between tiers without drastic bill impacts that may be difficult to anticipate. The further delineation of income brackets will also provide more support for those customers at the lower end of their respective income level (e.g., a customer on Tier 3 that has a 126% FPL household income will still receive a 20% discount, rather than 15% or 5%).

Further, the Authority notes that under the EDCs' example LIDR cost analyses, many of the scenarios resulted in an annual cost that either met or exceeded 2% of the Company's annual billed revenue. With the available evidence in the record, the Authority finds it appropriate to establish a five-tiered LIDR with discounts that result in a lower annual cost than that proposed by the EDCs. This is particularly relevant with the establishment of a 2% budgetary target as discussed further in Section IV.B.4, <u>LIDR Program Budgetary Target</u>. The record demonstrates that information regarding customer incomes, tier eligibility, average usage, and receipt of CEAP funds, among other items, is incomplete, and as such, the estimated cost to fund the LIDR remains uncertain. The Authority, therefore, finds that the LIDR tier discount levels must create an estimated cost sufficiently below the 2% budgetary target to allow for unexpected costs. Using the EDCs' LFE-27 submissions, the Authority calculated the annual costs for a five-tiered LIDR structure with discounts of 5%, 15%, 20%, 40%, and 50%. For Eversource, this analysis resulted in an estimated annual cost of 1.6% of the Company's annual billed revenue and an average monthly residential bill impact of $3.09.[13] For UI, the Authority's analysis resulted in an estimated annual cost of 1.8% of the Company's annual billed revenue and an average monthly residential bill impact of $3.87.[14]

Finally, the Authority finds that a number of factors limit the accuracy of any established discount level: electric rates shift multiple times each year, financial hardship customers may contract with third-party energy suppliers and receive different rates, and economic conditions shift and impact relevant household income levels. Additionally, Eversource shared that under the New Hampshire low-income discount rate, analysis occurs every year to measure the discount levels and assess whether they should be modified. Hr'g Tr., July 24, 2024, 117:20–118:2; Eversource Interrog. Resp. OCC-35. Emphasizing the importance of the LIDR customer experience and maintaining the simplicity of the offering, the Authority questions whether such an analysis schedule is

[13] The Authority's analysis included the 11,000 eligible Tier 4 Eversource customers, in addition to the number of customers estimated in Eversource's LFE-27 analysis. Eversource noted that these customers are likely already counted in the other tier's estimated participants. However, the Authority conducted its analysis with those additional customers to produce a conservative analysis.

[14] The Authority reiterates that it does not have an accurate estimate for the distribution of 30,000 LIDR customers among the new five-tiered LIDR. As such, this cost estimate is potentially overstated.

appropriate for Connecticut's LIDR program. Further, the Authority outlines a cost containment mechanism that would trigger program reassessment in Section IV.B.4, LIDR Program Budgetary Target, below. As such, the Authority determines that it is appropriate to establish simple-tiered discount levels that are easy for customers to understand and do not necessarily need to be recalculated each year for their accuracy. Accordingly, the Authority directs the EDCs to modify the LIDR to create three additional tiers to implement a five-tiered LIDR with discount levels of 5%, 15%, 20%, 40%, and 50%, respectively.

2. Limiting LIDR to Eligible Account Holders

Eversource suggested a method to further reduce costs. Eversource PFT, pp. 6–7. Eversource noted that the current LIDR offering allows the account holder to enroll if anyone in the household is receiving eligible benefits. Id., p. 6. The DSS data-matching process follows this as well, by identifying eligible electric accounts with at least one household member receiving such benefits. Id. Eversource recommended that the Authority and stakeholders consider limiting enrollment of DSS-identified customers to only the account holders that receive eligible benefits themselves, rather than anyone in the household. Eversource PFT, p. 7.

DSS provided additional data that assessed the number of qualifying LIDR households if only the eligible account holders (i.e., head of household) were enrolled. DSS Prelim. Results, p. 4. For Eversource customers, DSS calculated that within the approximately 150,000 DSS-identified LIDR customers, about 115,000, or 77%, have an eligible account holder. Id. For UI customers, DSS calculated that within the approximately 27,000 DSS-identified LIDR customers, about 19,000, or 69%, have an eligible account holder. Id., p. 5. Therefore, the EDCs would remove about 43,000 LIDR participants if the enrollment eligibility were limited to only eligible account holders.

The Authority appreciates Eversource's proposal and DSS' analysis regarding potential cost reductions; however, the Authority finds a lack of record evidence to support limiting the enrollment of eligible customers at this time. OCC posited that there could be a scenario where a couple lives together and one member is the EDC account holder, whereas the other is the DSS-identified head of household. OCC Brief, p. 10. Such a scenario highlights the potential unintended consequences of limiting the enrollment process through DSS data sharing. As such, the Authority directs each EDC to include in its annual LIDR reporting an analysis similar to that provided in the DSS Preliminary Results file; specifically, the number of LIDR participants that enrolled with an eligible account holder (i.e., head of household), compared with an eligible household member that is not the account holder for potential consideration in future years. See LIDR Decision, pp. 38–40. Such analysis may provide static data that captures the situation at the time of reporting. Further, the Companies shall include a narrative explanation for why some LIDR participants have an eligible household member but not an eligible account holder (i.e., the LIDR participants were enrolled because of an eligible household member since the account holder was ineligible).

3. Limiting Enrollment Period for DSS-Identified Customers

If a customer is enrolled through DSS data matching, the Companies will enroll that customer on LIDR for a 12-month period, as directed in the LIDR Decision. LIDR Decision, pp. 12, 17. Ninety days prior to their LIDR expiration, the Companies will check if that customer is still receiving eligible benefits through the DSS data matching process. Decision, Oct. 11, 2023, Docket No. 23-05-01, Annual Review of Affordability Programs and Offerings (Energy Affordability Annual Review) (2023 Decision), pp. 33, 35–36; Hr'g Tr., July 24, 2024, 96:18–21. If the customer is still eligible, the Companies will then enroll the customer for another 12-month period. 2023 Decision, pp. 33, 35–36; Tr., 96:21–22. If Eversource identifies that a customer who was on Tier 2 (50% discount) is now only eligible for Tier 1 (10% discount), Eversource will allow the customer to stay on Tier 2 until the 12 months of their initial LIDR certification elapse. Tr., 129:2–14; Hr'g Tr., Sept. 6, 2024, 87:6–11. At the end of the initial 12-month enrollment period, Eversource will move the customer to Tier 1. Id. If the customer is no longer on the DSS data matching list, then the Companies will send the customer reminder letters 60, 30, and 15 days prior to LIDR program expiration to inform and remind the customer to reverify their LIDR eligibility. 2023 Decision, pp. 33, 35; Tr., 96:22–97:2. The Companies will also send the customer a fourth letter when the customer's eligibility has expired to encourage recertification. 2023 Decision, pp. 33, 35.

According to Eversource, the Massachusetts low-income discount rate will un-enroll a customer in the rate when they are no longer receiving an eligible benefit, i.e., are no longer identified on the data sharing file as low income. Tr., 95:17–1. There is no grace period for unenrollment. Tr., 98:10–11.

The Companies discussed limiting the enrollment period for LIDR participants that were enrolled via the DSS data matching process. Hr'g Tr., July 24, 2024, 25:22–28:22, 94:21–99:14; Hr'g Tr., Sept. 6, 2024, 60:15–61:11. Specifically, the Companies explored whether to remove a customer from LIDR prior to the 12-month expiration date if they are no longer on the DSS data matching list (i.e., the customer no longer receives a corresponding eligible public benefit). Id. Eversource suggested that once a customer is no longer deemed eligible through DSS data matching, the Companies could move towards removing that customer from LIDR and financial hardship. Late Filed Ex. 37. However, Eversource recommended establishing a grace period, such as 60 or 90 days, for the customer to reverify their eligibility for financial hardship coding and LIDR. Id.; Hr'g Tr., July 24, 2024, 98:17–21. Similarly, UI recommended that customers have a 60-day grace period to reapply and confirm eligibility for financial hardship and LIDR. UI Late Filed Ex. 28.

UI stated that it could implement the IT effort necessary to remove DSS-identified LIDR participants prior to the 12-month enrollment expiration in three months for an estimated cost of $97,800. Id. In contrast, Eversource initially estimated that the IT effort to remove DSS-identified LIDR participants when they are removed from the DSS list will cost about $950,000 and require seven months to implement. Supp. Late Filed Ex. 37.

Further, Eversource questioned whether such an effort would be worthwhile given the high expense and stated that the Company is exploring alternative options.[15] Id.

The Authority appreciates the Parties and Intervenors discussing potential additional cost mitigation methods; however, the Authority determines that the Companies shall not limit the enrollment period for DSS-identified customers at this time. First, the Authority notes that customers that enroll on LIDR through other methods, such as the EDCs, CAAs, or Operation Fuel, are automatically enrolled for a 12-month period. Therefore, those customers that are not identified through DSS will remain with 12-month enrollment periods regardless of any shifts in income during that time. Additionally, there is not enough evidence in the record to support whether cessation of DSS benefits always equates to income ineligibility. Therefore, the Authority cannot determine at this time whether DSS data matching is appropriate for removing customers from LIDR prior to the end of the 12-month enrollment period. The Authority further finds it inappropriate to create inconsistent program experiences for customers based on the method of enrollment. Accordingly, the Authority directs the Companies to maintain the existing 12-month enrollment period for all LIDR participants.

Further, if a customer is enrolled on a higher tier (e.g., Tiers 2 through 5) and the Companies are notified by DSS data matching that the customer is now eligible for a lower tier discount, the Companies shall maintain the customer's higher discount until their 12-month enrollment period ceases. The Companies shall then lower the discount to the customer's appropriate tier eligibility when the customer re-certifies their income. However, a customer may enroll in a higher tier, e.g., from Tier 1 to Tier 2, during their initial 12-month enrollment period if the customer provides the requisite proof of eligibility through existing enrollment processes Accordingly, the Authority directs the Companies to maintain customer tier discounts during the customer's 12-month enrollment period, even if DSS data-matching notifies the EDC that such customer is eligible for a lower tier discount (e.g., from Tier 2 to Tier 1).

4. LIDR Program Budgetary Target

The Authority reemphasizes the importance of balancing both of the original objectives established in the LIDR Decision: achieving energy affordability and reducing uncollectible expenses paid for by all ratepayers. LIDR Decision, pp. 8–9. A successful LIDR program will help individual low-income customers afford their energy bills, while reducing costs to ratepayers overall. As such, the Authority has explored cost control mechanisms, including a total budgetary cap or a total budgetary target for LIDR. Id., p. 26.

Stakeholders shared that the New York Public Service Commission established a low-income discount rate budgetary target "such that the total budget for each utility may not exceed 2% of total electric or gas revenues for sales to end-use customers[.]" Id. Additionally, UI clarified that the New York budgetary target does not "prevent

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[15] Eversource subsequently identified a lower cost alternative option that uses robotic process automation. Eversource Brief, p. 6. However, neither the Authority nor stakeholders have had an opportunity to investigate this option.

participation in the program once the target has been reached[;]" rather, the budgetary target "is used to adjust the energy burden target in the year following an exceedance and would result in a reduction of the low-income discounts until the program costs are contained within the budget limit for that year." Id.

Under a total budgetary cap scenario, a 2% cap of all total revenues would apply to auto-enrolling customers through DSS data-sharing. The Authority would implement the budgetary cap by either authorizing customer enrollment in LIDR on a first-come, first-served basis (i.e., customers that enroll in an eligible DSS program after the EDCs reach the 2% budget cap would not be enrolled on a LIDR, even if their eligibility information is shared by DSS with the EDCs) or by only allowing enrollment on LIDR Tier 1 after the 2% budget cap is reached. Under a budgetary target scenario, a 2% budget of all total revenues would apply to all LIDR participants. If the budgetary target is exceeded in a given year, a review is triggered and the level of the discount is reduced in the future so that costs are contained within the budgetary target.

Parties and Intervenors do not support the implementation of a budgetary cap. Eversource, UI, OCC, and EOE expressed concern regarding the potential impacts on customers and the customer experience if a budgetary cap is implemented and it results in some customers either not receiving a LIDR discount or having their LIDR discount suddenly reduced. Eversource Written Comments, Mar. 28, 2024 (Eversource March Comments), p. 10; UI March Comments, p. 8; OCC Brief, Oct. 7, 2024, p. 11; EOE Written Comments, Mar. 27, 2024 (EOE March Comments), p. 10. Both EOE and Operation Fuel opined that a budgetary cap would harm ratepayers who are identified as financial hardship later in the year, if the 2% budgetary cap is reached prior to the ratepayer's identification as hardship. EOE March Comments, p. 10; Operation Fuel Written Comments, Mar. 27, 2024, pp. 2–3. If a budgetary cap is instituted, CCA stated the $50 below budget payment must be reinstated to ensure low-income customers have access to a program that reduces bills in the absence of a LIDR discount. CCA Written Comments, Mar. 27, 2024, p. 4. CIEC stated that if a budgetary cap is implemented, a 1% cap is more appropriate than a 2% cap to mitigate bill impacts and balance the cost of LIDR against the benefits LIDR provides to customers.[16] CIEC Written Comments, Mar. 27, 2024, p. 3.

Unlike a budgetary cap, Parties and Intervenors for the most part support a budgetary target because it balances the costs of LIDR to all ratepayers with the benefits of LIDR to low-income customers. See, e.g., Eversource March Comments, p. 11; OCC Brief, p. 11; EOE Brief, p. 4. However, both OCC and EOE recommend that the Authority establish a budgetary target with a predefined amount of leeway or "deadband", i.e., if

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[16]CIEC also asserts that when setting the budget cap, the Authority did not consider the potential impact of the cap on non-residential customers. CIEC Written Exceptions, Nov. 6, 2024, p. 4. However, CIEC states its concerns would be alleviated if the EDCs allocated the LIDR program costs based on cost-causation principles or, in the alternative, the Authority adopted a "cost-based allocator" and "cost-based rate designs." Id. As previously stated, the Authority intends to conduct a proceeding at a later date regarding*, inter alia,* cost allocation methodologies applicable to the EDC's revenue adjustment mechanisms. Decision, Apr. 17, 2024, Docket No. 24-01-03, p. 17; Decision, Apr. 17, 2024, Docket No. 24-01-04, PURA Annual Review of the Rate Adjustment Mechanisms of The United Illuminating Company, p. 17.

costs exceed a certain amount above the target, then a review requirement will be triggered. OCC Brief, p. 14; EOE Brief, p. 4. In other words, if the Authority adopts a 2% budgetary target, OCC and EOE recommend that the Authority establish an exceedance level, such as 2.1% or 2.25%, that triggers this review. Id. Regardless, Eversource and EOE recommend that the Authority conduct the budgetary review as part of the revenue adjustment mechanism (RAM) proceedings, i.e., Docket Nos. XX-01-03 and XX-01-04. Eversource Brief, p. 5; EOE Brief, p. 4.

Based on the evidence in the record, the Authority determines that a budgetary target is an appropriate cost containment measure. It not only balances the costs and benefits of the LIDR to all EDC customers, but also provides a signal to the Authority and stakeholders that further regulatory review is required. As such, the Authority hereby adopts an annual LIDR budgetary target of 2% of each EDCs' annual billed revenue. The Authority directs the EDCs to monitor LIDR costs monthly and to report the previous 12 months of LIDR costs in the March 1st filing for the relevant RAM proceeding, i.e., Docket Nos. XX-01-03 and XX-01-04. The filing shall include, at minimum: (1) the total cost of LIDR implementation; (2) a breakdown of costs by category, i.e., administrative costs and discount costs; (3) number of customers enrolled in each LIDR Tier; (4) the EDC's annual total revenues; and (5) the total costs of LIDR implementation calculated as a percentage of the EDC's total revenues in the given year. The first such filing shall occur in the EDCs' March 1, 2025 filings in Docket Nos. 25-01-03 and 25-01-04.

The Authority also agrees that the implementation of a budgetary target with a deadband will more clearly signal when regulatory review is warranted. Consequently, the Authority directs the Companies to submit for review and approval a notification if the EDC's total budget for LIDR in a given year exceeds 2.1% of the EDC's annual total revenues. This notification shall be submitted in the March 1st filing for the relevant RAM proceeding, i.e., Docket Nos. XX-01-03 and XX-01-04, to accompany that year's required LIDR RAM reporting as established above. In the relevant RAM proceeding, the Authority will consider whether additional cost control measures are warranted by reviewing the data collected and the impact of the LIDR on both participating and non-participating customers.

5. Implementation Costs and Timeline

a. Eversource

Eversource stated that its initial IT effort to develop the existing two-tier LIDR "also designed and built the capability for at least five total tiers." Eversource PFT, p. 15. As such, Eversource estimated an implementation cost of $40,000 and timeline of 8 to 10 weeks to implement a five-tiered LIDR. Id. However, Eversource noted that these estimates do not incorporate additional costs associated with modified communications materials and higher administrative efforts to manage additional tiers. Id., pp. 15–16. Eversource testified that modification of eligibility requirements in the future, however, would be relatively easy. Hr'g Tr., Sept. 6, 2024, 86:1–14. Finally, Eversource and DSS will require additional implementation costs and time to modify the DSS-data sharing process. Id., p. 16. Since Eversource's implementation timeline is significantly shorter than UI's, Eversource proposed moving forward with its IT efforts to implement the five-tiered LIDR without waiting for UI to complete its IT efforts. Eversource Brief, p. 4.

b. UI

UI estimated that implementing its proposal to reduce the Tier 2 discount from 50% to 40% will cost $70,000 and require two months. UI PFT, p. 5. In contrast, UI stated that implementing a third tier now will require UI "to duplicate its previous efforts." Id., p. 7. Specifically, UI asserted that such implementation will require modifications to: (1) LIDR rates; (2) LIDR enrollment screen; (3) LIDR customer letters; (4) LIDR Annual Renewal program; (5) MPP and BFP plan calculations; (6) CAA portal; (7) CAA commitment and financial hardship files; (8) DSS data-sharing files; (9) LIDR metric reporting; and (10) regression testing for all system changes. Id. UI further asserted that while the initial LIDR design included a third tier, "the full programming was not developed" because UI did not have a specific discount percentage to apply to the tier. Hr'g Tr., July 24, 2024, 5:22–25. Once UI has the specific discount percentage, the Company's IT vendor will still need to do additional programming and testing to ensure all calculations and interactions with other programs are accurate. Tr., 5:25–7:4.

As such, UI estimated that implementing a third LIDR tier will cost $1.2 million and require 15 months to complete. Tr., 7:12–13. UI further asserted that these estimates are based on the actual cost and time required to develop the existing LIDR framework. UI PFT, p. 7; Late Filed Ex. 32. In addition, UI testified that the removal of BFP could potentially lower the cost and timeline for testing interaction of LIDR and other programs as they will not have to test the interaction of LIDR with those programs anymore. Hr'g Tr., Sept. 6, 2024, 19:1–4. Finally, UI estimated that the creation of each additional tier will cost an incremental $129,000 to the total implementation cost. UI Interrog. Resp. OCC-41, p. 2. The $129,000 expense consists of IT vendor and staff hours to program and test each new tier. Tr., 8:6–21. However, UI testified that modification of eligibility requirements in the future would be relatively easy. Tr., 20:17–22:1.

Subsequently, UI proposed to coordinate the modifications to LIDR with implementing the gas LIDR for subsidiaries Connecticut Natural Gas Corporation (CNG) and The Southern Connecticut Gas Company (SCG; together with UI and CNG, Avangrid). UI Exceptions, pp. 3–5. Specifically, UI noted that if all LIDR modifications and implementation are conducted independently, i.e., not coordinated among the Avangrid companies, the total cost for all three will reach over $2.29 million and take over 55 months. Id., p. 5. Alternatively, UI suggested that the IT effort be coordinated among the Avangrid companies so as to develop a five-tier capacity for all three. Id., p. 4. The coordinated LIDR effort would instead cost an estimated $1.93 million and take 18 months. Id., p. 5. This would result in an estimated overall cost savings of $359,000, with UI, CNG, and SCG saving approximately $174,000, $100,000, and $85,000, respectively. UI Exceptions, p. 5.

c. Authority Analysis

The Authority determines that implementing the five-tier LIDR as soon as possible is in the best interest of all customers, but specifically those customers identified by DSS as qualifying for the Tier 2 50% discount who are currently on the Tier 1 10% discount due to the temporary stay. While the Authority finds consistency between the two EDCs beneficial to customers in most instances, here PURA determines that requiring Eversource to provide the five-tier LIDR to its customers potentially a full year prior to UI implementing the five-tier LIDR is more beneficial to customers, especially considering Eversource serves approximately 80% of the EDC customers in Connecticut. Allowing Eversource to implement the five-tier LIDR before UI is also supported by the majority of Parties and Intervenors. OCC Brief, p. 15; EOE Brief, pp. 5–6. Only CCA supports waiting for UI to implement the five-tier LIDR, but only because CCA opines that additional time and attention is needed because the five-tier LIDR is new and complex. CCA Brief, p. 2.

Consequently, the Authority directs Eversource and UI to each implement the five-tier LIDR as soon as possible and to notify the Authority via a compliance filing at least 10 days prior to implementation. In addition, the Authority directs the EDCs to quantify and include a narrative explanation of any variance of the annual system benefits charge (SBC) net expenses, e.g., hardship uncollectibles, MPP, etc., that may be impacted by the establishment of the five-tier LIDR in their respective RAM proceedings, i.e., Docket Nos. XX-01-03 and XX-01-04.

In addition, the Authority directs the EDCs to each submit as compliance a detailed LIDR implementation cost estimate and timeline based on the direction provided herein no later than December 18, 2024. Each EDC's estimated LIDR implementation cost shall include the cost to implement the five-tiered LIDR for all residential customer classes. If an EDC determines during the process that the total cost to implement the five-tier LIDR will materially exceed the cost estimates in this proceeding, including all IT, administrative, and communications costs, as applicable, the Authority directs the EDC to immediately inform PURA via a compliance filing. Further, the Authority directs the EDCs to immediately inform the Authority of any changes to the EDC's timeline provided in this proceeding for the implementation of five-tier LIDR.

Finally, the Authority appreciates UI's proposal to coordinate LIDR implementation and modification efforts with SCG and CNG in order to save ratepayer funds. Since neither SCG nor CNG are Parties to this proceeding, the Authority cannot address the proposal as it pertains to CNG and SCG here. However, CNG and SCG are required to submit to the Authority, no later than December 18, 2024, a detailed cost proposal to configure the companies' billing system to allow for the addition of two or more LIDR tiers and a usage cap, including a timeline for implementation of such proposal, if one is directed at a future date. Decision, Nov. 18, 2024, Docket No. 23-11-02, Application of Connecticut Natural Gas Corporation and The Southern Connecticut Gas Company to Amend Their Rate Schedules. Therefore, the Authority will consider CNG's and SCG's LIDR implementation and modification proposal in Docket No. 23-11-02, including UI's proposal should it be offered therein.

The Authority reminds the EDCs that the burden of demonstrating prudently incurred costs rests with each company. Each EDC will need to provide sufficiently detailed cost information and evidence to demonstrate prudency, including, but not limited to, evidence that: (1) reasonable competitive procurement processes were held, as applicable; (2) existing internal resources were leveraged to the extent possible; (3) investments in new resources were selected with current and future investments, programs, and public policies in mind; and (4) unnecessary costs were avoided. Out of an abundance of caution, the Authority clarifies that it is in no way pre-approving the costs to implement the five-tier LIDR. The Authority will review the prudency of the costs incurred for implementation of the additional tiers, including the billing system changes, in each company's applicable RAM proceeding.

d. LIDR Cost Allocation

To recover costs related to the LIDR, the Authority directed the EDCs to reconcile all LIDR costs through the SBC but declined to establish a cost allocation methodology. LIDR Decision, pp. 29–30. As a result, the Authority stated that assessing LIDR cost allocation is more appropriate for a base rate case proceeding. Id. Furthermore, the Authority directed each EDC to propose "at least two potential cost allocation methodologies (e.g., based on a volumetric basis, number of customers in each class, or on write-offs in each class, etc.) of the LIDR among the different rate classes through the SBC in their next respective rate cases . . . for further discussion and evaluation among Parties and Intervenors." Id.

Currently, Eversource allocates SBC costs by pro-rating the costs across rate classes using the prior year actual SBC costs for each individual rate class, which ties the costs incurred for SBC programs to be recouped by the same customer rate class who generated the costs initially. Decision, Aug. 16, 2023, Docket No. 23-01-03, PURA Annual Review of the Rate Adjustment Mechanisms of The Connecticut Light and Power Company, p. 29. Specifically, Eversource calculates the net cumulative SBC costs incurred by each customer class and allocates the revenue required to recover those costs to the same customer class. Id. Eversource then divides the SBC revenue requirement for each customer class by an estimate of their kWh sales, which results in the $/kWh SBC rate to be charged to each customer class. Id.

Conversely, UI currently allocates the SBC revenue requirement based on the total annual kWh energy usage from the applicable test year. Id., Decision, Aug. 25, 2023, Docket No. 22-08-08, Application of The United Illuminating Company to Amend its Rate Schedule (2023 UI Rate Case Decision), pp. 255–258. UI calculates the net cumulative SBC costs incurred by UI and allocates the revenue required to recover these costs to customer classes based on each customer classes' total annual kWh. 2023 UI Rate Case Decision, pp. 255–256.

6. Interim Periods

a. Prior to EDC Modifications

The first interim period is the period before the EDCs implement the five-tier LIDR. During this period, Eversource proposes to maintain the status quo, i.e., maintain the current two-tiered LIDR with a Tier 1 LIDR provided to all customers identified through DSS data-matching, until Eversource's billing system can accommodate the five-tier LIDR. Hr'g Tr., Sept. 6, 2024, 84:16–29; Hr'g Tr., July 24, 2024, 83:1–4; Late Filed Ex. 35. Eversource stated that implementing an interim measure would require training the CAAs and Eversource staff twice, i.e., once regarding the interim measure and then again regarding the five-tiered LIDR. Hr'g Tr., July 24, 2024, 86:15–87:22. UI suggested that the interim period be discussed by stakeholders as UI wants to make sure customers are still benefiting from LIDR while minimizing customer confusion. Tr., 16:22–17:12.

The Authority finds that maintaining the status quo, rather than implementing an interim measure until the EDCs can implement the five-tiered LIDR, is appropriate and the least disruptive to customers. Consequently, the Authority directs Eversource and UI to each maintain the status quo until they implement the five-tiered LIDR.

b. Prior to DSS Modifications

DSS estimated that any LIDR tier modification would require significant time for DSS to make the IT updates required for more tiers in the data-matching process. Tech Mt'g Tr., July 22, 2024, 46:21–48:15. When asked to estimate how long, DSS testified that it would likely take at least six months. Tr., 48:14–15. Until DSS makes the IT updates it requires, the EDCs will not be able to enroll the customers identified through DSS data-sharing into one of the five tiers.

As such, the second interim period is the period before DSS can implement the data matching process for the five-tiered LIDR. Eversource suggested that during this interim period, the EDCs could enroll customers onto the new tiers through the existing enrollment processes, such as through company CSRs, CAAs, or Operation Fuel. Late Filed Ex. 35. In other words, the Companies would not wait for DSS to update the data matching process prior to enrolling customers onto the new five-tiered LIDR. Therefore, the Authority directs Eversource and UI to each enroll customers onto the new five tiers, as eligible, through existing enrollment methods when each Company implements the five-tiered LIDR.

7. Organizational Partnerships

The Authority directed the EDCs to modify their existing Memoranda of Understanding (MOUs) with CAAs and to develop an MOU with Operation Fuel that incentivizes customer enrollment on Tier 2 of the LIDR (i.e., 50% discount). Motion Ruling Nos. 61 and 63, May 30, 2023, Docket No. 17-12-03RE11, pp. 2–3. The Authority endeavored to encourage customers to enroll on their eligible LIDR tier, particularly if they were auto-enrolled on Tier 1 even if they were eligible for Tier 2, and in the absence of an opt-out data sharing agreement with DSS. Id., LIDR Decision, pp. 17–18. As a result of modifications to the LIDR structure established in the instant proceeding, the Authority finds that the Companies' MOUs with CAAs and Operation Fuel should be amended.

The Authority notes that the DSS-proposed categorically eligible benefit programs allow for DSS data matching for Tiers 1, 2, 3, and 5. However, the Tier 4 corresponding eligible benefit program is CEAP Level 1, for which DSS does not itself collect enrollment data. Therefore, customers will only be able to enroll on Tier 4 through the EDCs, CAAs, and Operation Fuel. As such, the Authority finds that providing a financial incentive for customer enrollment onto Tier 4 of LIDR will be an effective use of ratepayer funds. Accordingly, the Authority directs the EDCs to submit for review and approval no later than February 17, 2025, a proposal that provides a financial incentive for CAA and Operation Fuel enrollment of customers onto Tier 4 of the modified LIDR.

8. LIDR Communications and Outreach

First, the Authority finds that customers must be notified as soon as practicable of the modified five-tiered LIDR structure. As such, the Authority directs the EDCs to develop customer communications materials that should include, at minimum, email, letter, flyer, social media, and other paid advertising channels, to notify current LIDR participants and other potentially eligible customers of the modified structure. Each EDC shall begin distributing these modified LIDR customer communications as soon as possible, but no later than 30 days prior to implementing the new five-tiered LIDR. The Authority directs the Companies to file as compliance these customer notifications no later than 10 days after finalizing in that year's applicable energy affordability review proceeding, i.e., Docket No. XX-05-01.

Additionally, the Authority established an Energy Affordability Customer Communications Working Group (Working Group) to be co-facilitated by the Companies. Decision, November 6, 2024, Docket No. 24-05-01, Annual Review of Affordability Programs and Offerings (Energy Affordability Annual Review), pp. 26–30. This Working Group will launch in January 2025. Id., pp. 27–28. As such, the Authority directs the Companies, in partnership with the Working Group, to create a comprehensive communications plan to notify and educate both current LIDR participants and non-enrolled eligible residential customers about the modified LIDR offering. The Companies shall provide draft plan materials to the Working Group during the first quarterly meeting of 2025.

The Authority understands that Eversource's five-tiered LIDR implementation timeline is 8 to 10 weeks, which does not allow Eversource to provide modified LIDR communication materials to the Working Group prior to modifying the LIDR. Thus, the Authority clarifies that the comprehensive LIDR communications plan that will be provided to the Working Group shall be each Company's "evergreen," general LIDR communications language that will have widespread usage. Any urgent Eversource materials meant to notify customers of the modified LIDR structure before implementation need not be approved by the Working Group prior to distribution. However, given that UI's implementation timeline is significantly longer, the Authority directs UI to provide any non-urgent modified LIDR communications materials to the Working Group for review and feedback.

Accordingly, the Authority directs the Companies to file as compliance the final comprehensive LIDR communications plan in Docket No. 25-05-01 as soon as it is completed, but no later than August 4, 2025.

9. LIDR Reporting Requirements

The Authority reminds the Companies that the annual LIDR reporting is due on or before June 15th, to be cross-posted in Docket No. 17-12-03RE11 as well as in that year's applicable energy affordability review proceeding, i.e., Docket No. XX-05-01. LIDR Decision, pp. 38–40. As stated in Section IV.B.2, Limiting LIDR to Eligible Account Holders, the Companies shall include in the annual LIDR reporting an analysis of LIDR participants and whether they were enrolled because of an eligible account holder or eligible household member. Further, the Authority determines that additional reporting is necessary. Accordingly, based on recommendations submitted by Parties and Intervenors, the Authority also directs the EDCs to track the number of LIDR customers who pay their bill each month, broken out by tier, and to include this in the annual LIDR reporting as well.

V. CONCLUSION AND ORDERS

A. CONCLUSION

The Authority finds that changed conditions since the inception of the two-tiered LIDR warrant modifications to the LIDR Decision. Consequently, the Authority orders Eversource and UI to implement a five-tiered LIDR in place of the former two-tiered LIDR in accordance with the direction provided in the Decision.

B. ORDERS

For orders requiring a filing, each Company shall file an electronic version through the Authority's website at www.ct.gov/pura. Submissions filed in compliance with the Authority's orders must be identified by: Docket Number, Title, and Order Number. Compliance with orders shall commence and continue as indicated in each specific order or until the Company requests and the Authority approves that the Company compliance is no longer required after a certain date. Unless otherwise provided or determined by the Authority, filings submitted in compliance with an order shall constitute satisfaction of the order. Filings requiring Authority approval must be filed as a motion.

1. As of the date of this Decision, the EDCs shall modify the LIDR to create three additional tiers to implement a five-tiered LIDR with discount levels of 5%, 15%, 20%, 40%, and 50%, respectively.

2. As of the date of this Decision, the EDCs shall each implement the five-tier LIDR as soon as possible, as discussed in Section IV.B., <u>Modifications of LIDR Decision</u>, and, once implemented, enroll customers onto the new tiers, as eligible, through existing enrollment methods.. No later than 10 days prior to implementation, each EDC shall notify the Authority of the date on which the EDC will implement the five-tier LIDR.

3. As of the date of this Decision, the EDCs shall maintain the existing 12-month enrollment period for all LIDR participants. The EDCs shall also maintain customers' tier discount level during the 12-month enrollment period, unless the customer provides proof of eligibility for a higher tier discount (e.g., from a Tier 1 5% discount to Tier 2 15% discount).

4. As of the date of this Decision, each EDC shall maintain the status quo, rather than implementing an interim measure, until the EDC implements the five-tier LIDR.

5. As of the date of this Decision, each EDC shall adopt a LIDR budgetary target of 2% of the EDC's annual billed revenue and begin monitoring LIDR costs monthly.

6. No later than December 18, 2024, the EDCs shall each submit as compliance a detailed LIDR implementation cost estimate and timeline based on the direction provided herein. The EDCs shall immediately inform PURA via a compliance filing if they determine during the process that any of the costs or timelines to implement the five-tier LIDR will exceed their estimates in this proceeding.

7. No later than the Energy Affordability Customer Communications Working Group's first quarterly meeting in 2025, the EDCs shall develop and provide to the working group a draft comprehensive LIDR communications plan as discussed in Section IV.B.8, LIDR Communications and Outreach.

8. No later than 30 days prior to implementing the five-tiered LIDR, the EDCs shall develop and distribute a customer communications plan that includes customer communication materials to educate and inform LIDR participants and potentially eligible customers of the modified LIDR structure, as discussed in Section IV.B.8, LIDR Communications and Outreach. The EDCs shall file the customer communication materials as compliance in that year's applicable energy affordability review proceeding, i.e., Docket No. XX-05-01, no later than 10 days after finalizing such materials.

9. No later than February 17, 2025, the EDCs shall each submit for review and approval a proposal that provides a financial incentive for CAA and Operation Fuel enrollment of customers onto Tier 4 of the modified LIDR.

10. No later than March 3, 2025, and annually thereafter, the EDCs shall report as part of each EDC's relevant RAM proceeding, the previous 12 months of LIDR costs and include, at minimum, the following:

    a. the total cost of LIDR implementation;
    b. a breakdown of LIDR implementation costs by category, i.e., administrative costs and discount costs;
    c. the number of customers enrolled in each LIDR Tier;
    d. the EDC's annual total billed revenues;
    e. the total costs of LIDR implementation calculated as a percentage of the EDC's total revenues in the given year;
    f. a delineation of all incurred costs associated with the implementation of the five-tiered LIDR as separate line items; and
    h. a quantification and explanation of any variances in the annual SBC net expenses (e.g., hardship uncollectibles, MPP, etc.) that may be impacted by the establishment of the five-tier LIDR.

11. No later than March 3, 2025, and annually thereafter, if an EDC's budget for LIDR exceeds 2.1% of the EDC's total revenues in a given year, the EDCs shall submit for review and approval in its relevant RAM proceeding a notification of such exceedance, as discussed in Section IV.B.4, LIDR Program Budgetary Target.

12. No later than June 15, 2025, and annually thereafter, the EDCs shall submit in Docket No. 17-12-03RE11 and in the current year's applicable energy affordability review proceeding, i.e., Docket No. XX-05-01, as part of each EDC's annual LIDR reporting, the following:

    a. the number of LIDR participants that enrolled with an eligible account holder (i.e., head of household), versus with an eligible household member that is not the account holder, as well as a narrative explanation for why some customers may have an eligible household member but not an eligible account holder in the previous calendar year; and

b. the number of LIDR customers who pay their bill each month, broken out by tier.

13. No later than August 4, 2025, each EDC shall file as compliance in Docket No. 25-05-01 their final comprehensive LIDR communications plans, as discussed in Section IV.B.8, LIDR Communications and Outreach.

DOCKET NO. 17-12-03RE11 PURA INVESTIGATION INTO DISTRIBUTION SYSTEM PLANNING OF THE ELECTRIC DISTRIBUTION COMPANIES – NEW RATE DESIGNS AND RATES REVIEW

This Decision is adopted by the following Commissioners:

Marissa P. Gillett

John W. Betkoski, III

Michael A. Caron

CERTIFICATE OF SERVICE

The foregoing is a true and correct copy of the Decision issued by the Public Utilities Regulatory Authority, State of Connecticut, and was forwarded by Certified Mail to all parties of record in this proceeding on the date indicated.

Jeffrey R. Gaudiosi, Esq.
Executive Secretary
Public Utilities Regulatory Authority

November 20, 2024
Date

APPENDIX A: Approved Five-Tiered LIDR Modification

New Tier	Gross Income Limit (FPL)	Current Tier
Tier 1 (212–275% FPL | 60% SMI)		
ALMB / SLMB	212–246%	1
Husky B Band 1	292–254%	1
Husky B Prenatal	263%	1
Husky A Pregnant / Postpartum	263%	1
Husky C Long Term Services and Supports	225%	2
Special / Limited Medical Benefit	263%	1
CEAP Level 3	275% (60% SMI)	1
Tier 2 (161–211% FPL)		
SNAP	200%	2
CEAP Level 2	200%	1
Husky A Children	201%	2
QMB (lowest $ Medicare Savings Program)	211%	2
Tier 3 (126–160% FPL)		
Husky D	138%	2
Husky A Parents	138%	2
Tier 4 (101–125% FPL)		
CEAP Level 1	125%	2
Tier 5 (Up to 100% FPL)		
Temporary Family Assistance	55%	2
Refugee Assistance	55%	2
Husky C (non-LTSS)	58%	2
SAGA	225%	2
State Supp	225%	2