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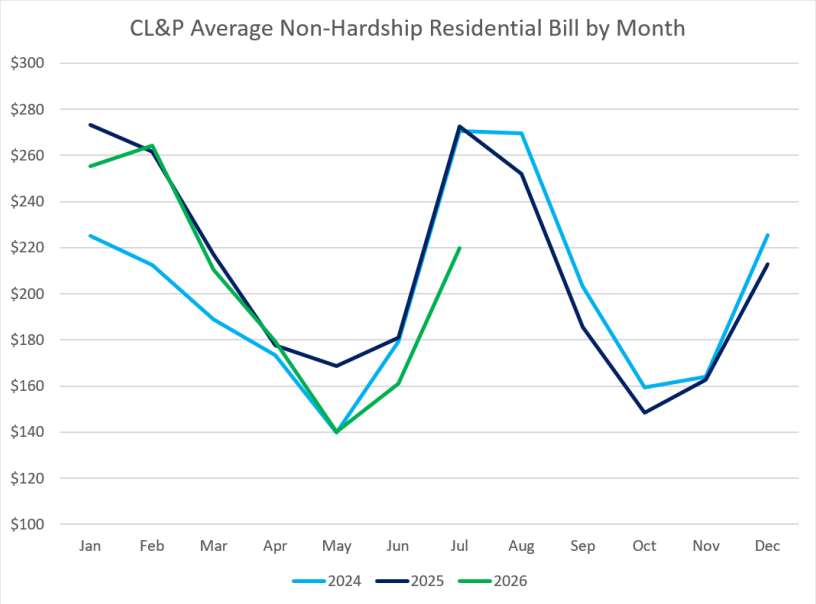
Request from: Office of Consumer Counsel

Question:

(ARREARAGES) Please refer to CLP-Customer-1, p. 29. The chart at the top of the page shows that arrearages increased significantly from August 2024 to June 2025 and from November 2025 to August 2026. Please provide all research and/or explanation regarding the causes.

Response:

In a steady state period[1], arrears typically follows seasonal usage and patterns annually, driven by weather, associated usage patterns (i.e., higher usage during the heating and air conditioning periods) and winter protections. Typically, during the coldest months of the year, the Company also performs less residential disconnections for non-payment compared to the non-winter protection period. Electric arrears typically peak annually in the May – June timeframe. The Company provides below insight into the seasonality of the average monthly non-hardship residential electric bills during the period in question.



[1] Connecticut is not in a steady state period yet due to the many changes made in recent years.

In addition to steady state seasonal variation insight, during the time frames requested, the Company provides the following additional insight into non-hardship arrears:

- Between August 2024 and June 2025 non-hardship arrears greater than 60-days increased by 22%
    - Average total bills *increased by 11%* (~$20) monthly year-over-year.
    - # of non-hardship customers delinquent *decreased* by 19%
    - Average non-hardship delinquent balance *increased* by 8%
- Between November 2025 and April 2026 non-hardship arrears greater than 60-days increased by 18%
    - Average total bills *decreased by 3%* (~$6) monthly year-over-year.
    - # of non-hardship customers delinquent *increased* by 3%
    - Average non-hardship delinquent balance *increased* by 11%

Last, but not least, several transformational changes occurred during this period that make it difficult to tease out single causes during this period, including:

- First, PURA ended the 4 ½ year Covid pandemic collections moratorium in May 2024 for Hardship customers. As a result, many hardship customers started receiving collections notifications and began making payments on arrears created in the years prior. Once collections on unpaid bills from hardship customers was allowed to resume, the trend of steadily increasing arrears since the pandemic began ended.
- Second, the Company implemented full state data-matching with the Connecticut Department of Social Services in May 2024. The impact of this change doubled the number of verified electric low-income customers, increasing from ~100k to ~200k as a result.
- Third, the Company implemented rolling financial hardship verification expirations in Spring of 2024. Coupled with the full state data-matching, this created an annual peak of financial hardship expirations about 12 months after the very initial full data-matching was implemented.
- Last, but not least, the electric 5-Tiered low-income discount rate ("LIDR") was implemented in June 2025.