JOINT 04:

2026-2027 JOINT ARREARS MANAGEMENT PLAN

HOW IT WORKS: PAYMENT PLANS

June 1, 2026

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II. OVERVIEW

Customers with a past due balance may be eligible to enroll in a payment plan. A payment plan allows customers to amortize their past due balance and pay it over time, while also remaining current paying their newly billed charges. For customers with a verified financial hardship, the payment plan with the lowest monthly required payment is always MPP[1]. While customers are on a payment plan, their service remains protected. Customers who don't make their timely required payments will break their payment plan and be removed from it. Customers can re-enroll under certain conditions with payment requirements as described herein.

The Companies propose payment plan changes to help mitigate the cost of unpaid bills, ultimately paid for by all customers. See **JOINT 09_Proposals to Reduce Arrears** for proposals.

[1] See Joint 02_HowItWorks_MPP Attachment.

III. PAYMENT PLAN PARAMETERS

A. RESIDENTIAL

1. Payment Plan (Non-MPP)

Residential Payment Plan parameters are PURA-defined[1] below for and vary based on whether a customer has a verified financial hardship, as reflected in Table 1.

Table 1:
Residential Payment Plan Parameters[2]

Service	Customer	Minimum Down Payment	Maximum Duration
Active*	Financial Hardship	• 5% of arrearage or $25, whichever is lower	18 months
	Non- Financial Hardship	• 10% of arrearage	
Disconnected	Financial Hardship	• 20% of arrearage, not to exceed $400. Inclusive of reconnection charge** • Required enrollment in a payment plan.	
	Non- Financial Hardship	• 50% of arrearage, not to exceed $1000. Inclusive of reconnection charge** • Required enrollment in a payment plan.	

*Customers who miss more than two consecutive payments, but who have *not had their service disconnected*, may re-enroll onto the payment plan, with the same minimum down payment required and maximum duration offered, ***once within a 12-month period*** to avoid service disconnection.

**Any applicable reconnection charge to be assessed separately shall nonetheless be taken into account when determining a customer's down payment amount such that no residential customer is paying more than the respective required minimum down payment and reconnection charge combined.

2. 20% OF ARREARS PAYMENT OPTION

Once in a twelve-month period, a *residential* customer can pay *20% of their balance due to avoid service* disconnection until they are sent a subsequent disconnection notice, per C.G.S.§ 16-262d(f) and R.C.S.A. § 16-3-100(d)(4).

3. CHANGE IN FINANCIAL CIRCUMSTANCES

A *residential customer enrolled on a payment plan* who indicates there is a change in financial circumstances can contact the Company to renegotiate their payment plan, as required by Conn. Gen. Stat. 16-262c(b)(2) and R.C.S.A. § 16-3-100(f)(5). For example:

- An eligible customer can renegotiate their payment plan by restarting it for 18 months, which would lower their monthly required payment amount or;

[2] See PURA's November 2024 Decision in Docket No. 21-07-01.

- A customer may newly become financial hardship verified and could then be guided to take advantage of MPP.

B. NON-RESIDENTIAL

For *non*-residential customers - for example, a business, the Payment Plan[3] requirements are defined below in Table 2.

Table 2:
Non-Residential Payment Plans

Service	Minimum Down Payment	Maximum Duration
Active	• 25% of arrearage	6 months
Disconnected	• 50% of arrearage • Security Deposit may be required	

C. MONTHLY REQUIRED PAYMENT AMOUNT

The payment plan monthly required payment amount includes the customer's average monthly for Eversource or actual monthly billed charges for Avangrid *plus an amortized portion of their past due balance*. The amortized portion of their past due balance is the customer's total past due balance divided by the number of months in their payment plan.

D. BREAKING A PAYMENT PLAN

A payment plan will break when the customer misses their required payments, as reflected above and the customer will be removed from their payment plan.

IV. DISPUTING AN AMORITIZATION AGREEMENT

For residential payment plan disputes, the Companies follow the applicable Connecticut statutes[4] and regulations that govern the Review Officer process as described below in **Section V: RELEVANT STATUTES, REGULATIONS AND DECISIONS.**

The customer experience offered includes:

- At the start of any conversation concerning a "reasonable amortization agreement", customers are advised of the dispute process and availability of a company Review Officer.
- If the customer service representative ("CSR") and customer are unable to come to an agreement, *and for Eversource, the customer hasn't broken a payment plan in the past 12 months*, then if the customer requests a Review Officer, one will be assigned to review their case.

[3] See PURA's response to June 24, 2022 Joint Commercial Payment Arrangement in Docket 20-03-15.
[4] At 14," The Authority finds that the Review Officer Joint Proposal comports with the statutory requirements applicable to disputes and the use of review officers."

Once assigned to a Review Officer, the role of a Review Officer includes reviewing payment options provided. A Review Officer will determine whether the customer is already on the 'best' payment plan available[5] that they are eligible for with the lowest monthly required payment amounts. If they are not already on the payment plan with the lowest monthly required payment, the Review Officer will encourage them to enroll in it.

- At Eversource[2], ensuring the customer is on the 'best' payment plan available to them completes[3] the Review Officer review process.
- At Avangrid[6], on a case-by-case basis, if a customer is already on the 'best' payment plan available to them, the Review Officer will evaluate the situation and determine if an exception will be granted and an alternative[4] amortization agreement will be offered.

V. RELEVANT STATUTES, REGULATIONS AND DECISIONS

A. STATUTES

1. Conn. Gen. Stat. § 16-262d(f)

States [*emphasis added*] in "Termination of Residential Utility Service on Account of Non-Payment" that:

> "If, following the receipt of a termination notice or the entering into of an amortization agreement, the customer makes a payment or payments amounting to ***twenty percent of the balance due***, the public service company or electric supplier shall not terminate service without giving notice to the customer, in accordance with the provisions of this section, of the conditions the customer must meet to avoid termination, but such *subsequent notice shall not entitle such customer to further investigation, review or appeal* by the company, electric supplier, municipal utility or authority"

2. Conn. Gen. Stat. § 16-262c(b)(4)

States in part, that a reasonable amortization agreement:

> *". . . is a period of* ***not more than thirty-six months****, unless the authority determines that a longer period is warranted*."

[5] A "reasonable amortization agreement" that a Review Officer must ensure is being offered to eligible customers is a 'flexible payment plan' (with parameters defined above) or MPP.

[6] See Avangrid's response to OCC-15 in Docket No. 24-05-01.

3. **Conn. Gen. Stat. § 16-262c(b)(5)(B)(ii)**

States in part [*emphasis added*], that when a customer has received a notice of delinquency and impending termination, if a customer disputes their amortization agreement and meets statutory and regulatory guidelines, then the Company

> *"…will refer such a dispute to one of its* ***review officers*** *as the first step in attempting to resolve the dispute..."*

B. REGULATIONS

1. **R.C.S.A. § 16-3-100(d)(4)**

States in part, that for customers:

> "*If, following the receipt of a termination notice or the entering into of a reasonable amortization agreement, the customer makes payment or payments totaling* ***20% of the balance due****, service may not be terminated prior to 13 days after the mailing of a subsequent termination notice...*"

2. **R.C.S.A. § 16-3-100(f)(5)**

States in part, when a residential customer has received a termination notice and disputes a reasonable amortization agreement, that *termination of service during the non-winter-moratorium is permitted* if an amortization agreement:

> *"…has been broken during the last 12 months*
>
> *except where a customer and the company have agreed to change the terms of an amortization agreement in accordance with the* ***changed financial circumstances*** *of the customer . . .*"

C. REGULATORY DECISIONS

1. **Docket No. 83-07-18**

See Docket No. 83-07-18 Decision in Robert Rogers vs. Southern Connecticut Gas Company Appeal of Amortization Agreement, the February 19, 1985, which established guidelines on a reasonable amortization agreement and states:

> *"(a)n amortization agreement involves the payment of a delinquent account (including at a minimum the unpaid back balance, and may include prospectively issued bills until the account reaches a balance of zero) over a period of time*;"

2. **Docket No. 21-07-01**

PURA's April 2022 Decision in Docket 21-07-01 at 22 states in part that the Companies [*removed citations related to ceased AFPs*]:

> "*first explore with customers all opportunities afforded through MPP…for eligible customers, as well as the terms of a flexible payment arrangement outlined herein, prior to offering the customer an alternative amortization agreement.*
>
> *The Authority recognizes that the aforementioned offerings cannot be designed to reasonably account for every change in a customer's financial circumstances…*"

END NOTES:

[1] The November 2024 Decision modified PURA's prior April 20, 2022 Decision in Docket No. 21-07-01, Table 3: Flexible Payment Arrangement Parameters for the EDCs and LDCs as "Table 3", included below for reference.

Table 3
Flexible Payment Arrangement Parameters for the EDCs and LDCs[17]

Residential Customer Flexible Payment Arrangements	Minimum Down Payment	Maximum Duration
Active[1] Hardship & Non-Hardship Customers	5% of arrearage OR $25, whichever is lower	18 months
To Reconnect Service:		
Disconnected Hardship Customer	20% of arrearage, not to exceed $400, inclusive of reconnection charge; [2] No security deposit; Required enrollment in a payment plan	18 months
Disconnected Non-Hardship Customer	50% of arrearage, not to exceed $1,000, inclusive of reconnection charge;[3] Security deposit may be required; Required enrollment in a payment plan	18 months

[1]Customers who miss more than two consecutive payments, but who have not had their service disconnected, may re-enroll onto the payment arrangement, with the same minimum down payment required and maximum duration offered, once within a 12-month period to avoid service disconnection.
[2,3] Any applicable reconnection charge to be assessed separately shall nonetheless be taken into account when determining a customer's down payment amount such that no hardship/non-hardship customer is paying more than $400/$1,000 for their down payment amount and reconnection charge combined.

[2] At Eversource, customers are made aware of their rights and ability to speak with a Review Officer in the event that they are unable to reach a reasonable amortization plan in several ways and across multiple channels, including:

- Upfront message in the Company's Interactive Voice Response ("IVR") –
  "If you are not able to reach a satisfactory payment arrangement with a representative, you may be eligible to speak to a Company Review Officer. The Review Officer's decision may also be appealed to the Connecticut Public Utilities Regulatory Authority. During the appeal, your service will not be shut off as long as you continue to pay current, undisputed bill amounts."
- The Live Call Conversation with a Customer Service Representative ("CSR"): CSRs are trained to advise customers on every call of the availability of a Company Review Officer if they are not able to reach a satisfactory payment arrangement.
- Service Disconnection notices to customers:
  "If you're unable to reach a satisfactory payment arrangement with our customer service representative, you may ask to speak with a company review officer."

[3] In January 2024 in Docket 23-05-01, ES filed Motion No. 36. Eversource filed a motion seeking clarification regarding amortization agreement parameters a Review Officer must offer to non-hardship residential customers.

[4] Meaning, outside of the parameters outlined in the Authority's decision in Docket No. 21-07-01 and in the November 2024 Decision, which modified minimum down payment requirements. For example, a Review Officer may consider the customer's payment activity, whether the customer is trying to make payments but still struggling with the payment amount and extenuating circumstances where the customer has broken the payment plan multiple times. The Review Officer will then try to work with the customer to determine a more acceptable and affordable

payment plan. For example, the review officer may grant an extended payment plan beyond 18 months and/or reduce or waive the initial down payment required.