



**March 2, 2017 Public Hearing Testimony before the
Connecticut General Assembly Banking Committee**

H.B. 7030: An Act Protecting the Credit of Certain Utility Customers

Distinguished Chairpersons, Vice-Chairpersons, Ranking Members, and Members of the Banking Committee, my name is Edith Pollock Karsky and I am executive director of the **Connecticut Association for Community Action (CAFCA) which is the state association for Connecticut's Community Action Agencies. I would like to voice our strong support to the Governor's proposal that will prohibit providers from reporting utility customers who are late in paying their bills to credit rating agencies.**

As you know, the CAAs are the state and federal designated antipoverty agencies serving all 169 cities and towns in Connecticut. Our Community Action Network provides human needs services such as food, shelter, heating assistance, and childcare to limited income individuals, children, and families. We provide these services through our proven, multigenerational, customer-focused, integrated service delivery system called the Human Services Infrastructure, or HSI. This comprehensive approach connects every person that comes through our doors to the tools, resources, programs, and services they need to move towards short and long-term economic stability.

One of the major programs our network administers is the Low Income Home Energy Assistance Program (LIHEAP). Through LIHEAP, we help more than 100,000 households statewide pay their energy bills and put approximately \$80 million back into the economy. LIHEAP gives struggling Connecticut families access to affordable home energy solutions and the opportunity to address and offset the cost of other basic needs, resulting in a positive impact on their overall health, safety, and wellness.

Our agencies know that electricity and heat are necessities, not luxuries. Connecticut has one of the highest utility rates in the country and, according to Operation Fuel's 2016 Home Energy Affordability Gap study¹, low-income households owe \$1,241 more in energy bills each year than they can afford to pay. This puts them in crisis mode throughout the year, forcing them to decide between paying their energy bills and sacrificing other costs like child care and medicine, or risking their lives to stay warm by using dangerous methods of heating their homes. While LIHEAP is a critical and necessary resource to those facing financial hardship, it sometimes just isn't enough—and customers still fall behind on their bills.

United Illuminating (UI) has been reporting customers who cannot make payments on time to the credit bureau. Eversource began doing the same last month, but recently rescinded the practice. Our network is very concerned about this reporting, as it puts families into an economic purgatory that lasts

¹ Operation Fuel, "Home Energy Affordability In Connecticut: The Affordability Gap (2016)," December 2016, available from: <http://www.operationfuel.org/wp-content/uploads/2016/12/2016-ConnecticutHEAG-Final.pdf>

for years and makes it virtually impossible for them to get an apartment, a loan for a car, or a student loan. When people struggle and fall behind, we need to help them move forward, not backward.

H.B. 7030 protects customers who are late in paying their bills by changing the statute and prohibiting providers from reporting them to credit rating agencies. Our Community Action Agency Network would like to thank Governor Malloy and Senator Duff for their efforts and leadership on this issue, and we look forward to working with you in other capacities in the future to improve the lives of limited income individuals, children, and families in Connecticut.

Thank you for your time and consideration. I am happy to take any questions you may have and Joanne Balaschak, the energy director from NOI joins me to assist in answering any of your concerns.