

## INDEPENDENT CONSUMER ADVOCATE

Quarterly Report Jan. 1-March 31, 2020

This quarter was heavily impacted by two events: The controversy over the new pricing scheme for the largest MDC customer and of course the beginning of the Covid Pandemic.

### CONSUMER ISSUES.

There were six customer complaints lodged during the quarter. Two of these were complicated matters, one involving sewer service to a condominium and the other involving water service to a group of houses. Both of these are instructive in that they involved more than one customer receiving service from one service connection.

In the first of these, a condominium and a life care facility share a sewer connection, parts of which have experienced blockages. Responsibility as between the condo and the facility became an issue. Further, it complicates the issue as to responsibility between the customers and the MDC as to responsibility for that portion of the service connection which existed in the public right of way.

In the water service matter, five houses share a service located in a public right of way. That is, a single meter served all five houses and requires the homeowners to divide up the water bill themselves. Further, it makes the homeowners responsible for the pipe located in the public right of way since it is located on the customer side of the meter. Should that pipe require repair/replacement it will be a major cost for the homeowners. The homeowners are willing to convey the pipe in the right of way to MDC but to date that has been refused.

It is unclear how both situations were allowed to occur, but it is clear that under today's requirements, neither situation would normally be permitted. The water situation has not been resolved to the customers satisfaction and the status of the sewer situation is unknown.

### POLICY ISSUES

Three policy issues were dealt with this quarter: pricing for the largest customer, the Raftellis study, and the response to the Pandemic.

The pricing issue for the largest customer was the dominant issue in the quarter. The MDC decided to propose a discount on both the water rate for use over a certain amount and the clean water project charge for that additional water consumption. The combination of these two discounts created a substantial discount for the one user who met the consumption requirements. The rationale put forth for this rate was that it would attract other large users and/or encourage existing users to expand facilities. The ICA and many consumers objected to this discount on a variety of grounds including price discrimination with no basis in cost causation, encouraging use contrary to conservation principles, and unfairly burden all other consumers. After a public hearing the MDC approved the rate.

Another version of the Raftellis study was distributed providing different alternatives to the existing ad valorem charge for paying a portion of the operating and capital expenses of the sewer system.

Finally, with the onset of the pandemic and resulting closing of businesses and loss of employment, the ICA was contacted by the State of Connecticut to ensure that MDC adhered to the same customer protections (no shut off, no late charges) as were being implemented for investor owned utilities. MDC put such provisions in place.

#### CONCLUSION

For the balance of the pandemic shutdown, the ICA anticipates reduced customer issues. Further the MDC has had to substantially modify its business practices in response to the conditions caused by the pandemic. The ICA anticipates deferring substantial issues, if possible, until conditions change.

Respectfully Submitted,

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By David Silverstone

