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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- PUBLIC UTILITIES COMMISSION

Introduced By: Representative James N. McLaughlin

Date Introduced: February 02, 2022

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 39-1-27.12 of the General Laws in Chapter 39-1 entitled "Public  
2 Utilities Commission" is hereby amended to read as follows:

3 **39-1-27.12. Low Income Home Energy Assistance Program Enhancement Plan.**

4 (a) The Low Income Home Energy Assistance Program Enhancement Plan (hereinafter  
5 "LIHEAP Enhancement Plan") is hereby created to supplement the federal Low Income Home  
6 Energy Assistance Program ("LIHEAP") funding being received by customers of Rhode Island  
7 electric and gas distribution companies.

8 (b) Within a period of time sufficient to accomplish the purposes of this section, but not  
9 longer than ninety (90) days after the effective date of this chapter, the department of human  
10 services shall develop a recommended monthly "LIHEAP enhancement charge" rate for the  
11 following year and make a filing with the commission pursuant to this chapter recommending rates.  
12 Thereafter annually, but no later than October 15 of each year, the department shall make filings  
13 with the commission to recommend the LIHEAP enhancement charge rates for each class of  
14 electric and natural gas distribution company customer for the following year.

15 (c) A LIHEAP enhancement charge approved by the commission shall have the following  
16 limitations:

17 (1) For electric distribution company customers, the charge shall not be more than ten  
18 dollars (\$10.00) per year.

19 (2) For natural gas distribution company customers, the charge shall not be more than ten

1 dollars (\$10.00) per year.

2 (3) The total projected annual revenue for the LIHEAP enhancement plan through charges  
3 to all electric and natural gas distribution company customers shall not exceed seven million five  
4 hundred thousand dollars (\$7,500,000) and shall not be below six million five hundred thousand  
5 dollars (\$6,500,000).

6 A minimum of five percent (5%) shall be allocated to provide assistance to customers who  
7 are seeking LIHEAP certification for the sole purpose of entering into an arrearage plan as defined  
8 in § 39-2-1(d)(2) between April 15 and September 30 of each year. Such customers must be a  
9 homeless family or individual transitioning from a shelter into housing and who have provided  
10 documentation acceptable to the department of human services. Any funds remaining at the end of  
11 the fiscal year shall be available for the upcoming winter season.

12 (d) The commission shall open a docket, to consider for approval, LIHEAP enhancement  
13 charge rates proposed by the department. In reviewing the recommended rates, the commission  
14 shall give due consideration to the recommendations of the department and the standards set forth  
15 in subsection (c). The commission shall issue a decision within sixty (60) days after said  
16 recommendations and report are filed with the commission establishing the enhancement plan  
17 charge rates.

18 (e) The electric or gas distribution company shall use the funds collected through this  
19 enhancement plan charge to provide a credit to customers' accounts that are receiving federal  
20 LIHEAP assistance payments in a manner determined by the department of human services. The  
21 department of human services shall designate to the gas- or electric distribution company the  
22 qualifying customer accounts and the amounts to be credited to those customer accounts, provided  
23 that the total amount to be credited to those accounts shall be fully funded by, and not exceed, the  
24 total amount collected through the enhancement plan charge. The electric or gas distribution  
25 company's added administrative expenses to process the credit assignments provided to it by the  
26 department of human services will be recoverable either from the LIHEAP enhancement charge or  
27 through a separate charge approved by the public utilities commission.

28 (f) As used in this section, "electric and natural gas distribution company" means a  
29 company as defined in § 39-1-2(a)(12), but not including the Block Island Power Company or the  
30 Pascoag Utility District.

31 (g) Effective January 1, 2023, the department of human services shall:

32 (1) Expand the eligibility requirements for home heating assistance to include middle  
33 income taxpayers and retirees by raising the income guidelines to households which meet eighty-  
34 five percent (85%) of Rhode Island's median income levels, as set for each program year; and

1           (2) Double the amount of the current home heating assistance available to eligible  
2 participants.

3           (h) Funding for any expansion of assistance pursuant to subsection (g) of this section shall  
4 be provided by using American Rescue Plan funds allocated to Rhode Island to the extent such  
5 funds are available and thereafter from the general fund.

6           SECTION 2. Section 39-2-1 of the General Laws in Chapter 39-2 entitled "Duties of  
7 Utilities and Carriers" is hereby amended to read as follows:

8           **39-2-1. Reasonable and adequate services -- Reasonable and just charges.**

9           (a) Every public utility is required to furnish safe, reasonable, and adequate services and  
10 facilities. The rate, toll, or charge, or any joint rate made, exacted, demanded, or collected by any  
11 public utility for the conveyance or transportation of any persons or property, including sewage,  
12 between points within the state; or for any heat, light, water, or power produced, transmitted,  
13 distributed, delivered, or furnished; or for any telephone or telegraph message conveyed; or for any  
14 service rendered or to be rendered in connection therewith, shall be reasonable and just, and every  
15 unjust or unreasonable charge for the service is prohibited and declared unlawful, and no public  
16 utility providing heat, light, water, or power produced, transmitted, distributed, delivered, or  
17 furnished shall terminate the service or deprive any home or building, or whatsoever, of service if  
18 the reason therefor is nonpayment of the service without first notifying the user of the service, or  
19 the owner, or owners, of the building as recorded with the utility of the impending service  
20 termination by written notice at least ten (10) days prior to the effective date of the proposed  
21 termination of service.

22           (1) Effective immediately, following the issuance of a decision by the commission under  
23 § 39-1-27.12(d), the utility shall collect a LIHEAP enhancement charge from all utility customers  
24 for the funding of the LIHEAP Enhancement Fund.

25           (b) Any existing rules and regulations dealing with the termination of utility service and  
26 establishing reasonable methods of debt collection promulgated by the commission pursuant to this  
27 chapter and the provisions of § 39-1.1-3 including, but not limited to, any rules and regulations  
28 dealing with deposit and deferred-payment arrangements, winter moratorium and medical  
29 emergency protections, and customer dispute resolution procedures, shall be applicable to any  
30 public utility that distributes electricity.

31           (c) The commission shall promulgate such further rules and regulations as are necessary to  
32 protect consumers following the introduction of competition in the electric industry and that are  
33 consistent with this chapter and the provisions of § 39-1.1-3. In promulgating the rules and  
34 regulations, the commission shall confer with the retail electric licensing commission and shall give

1 reasonable consideration to any and all recommendations of the retail electric licensing  
2 commission.

3 (d)(1) On or before August 15, 2011, the commission shall administer the rules and  
4 regulations, as may be necessary, to implement the purpose of subsection (d)(2) of this section and  
5 to provide for the restoration of electric and/or gas service to Low Income Home Energy Assistance  
6 Program (LIHEAP)-eligible households, as this eligibility is defined in the current LIHEAP state  
7 plan for Rhode Island filed with the U.S. Department of Health and Human Services.

8 (2) Effective no later than September 1, 2016, notwithstanding the provisions of part V  
9 sections 4(E)(1)(B) and (C) of the public utilities commission rules and regulations governing the  
10 termination of residential electric, gas, and water utility service, a LIHEAP-eligible customer, as  
11 defined above in this section, who has been terminated from gas and/or electric service or is  
12 recognized, pursuant to a rule or decision by the division, as being scheduled for actual shutoff of  
13 service on a specific date, shall not be deprived electric and/or gas utility service provided the  
14 following conditions are met:

15 (i) The customer has an account balance of at least three hundred dollars (\$300) that is  
16 more than sixty (60) days past due;

17 (ii) The customer is eligible for the federal Low Income Home Energy Assistance Program  
18 and the account is enrolled in the utility low-income rate if offered;

19 (iii) If utility service has been terminated, the customer shall make an initial payment of  
20 twenty-five percent (25%) of the unpaid balance, unless the commission has enacted emergency  
21 regulations in which case the customer shall pay the down payment required by the emergency  
22 regulations;

23 (iv) The customer agrees to participate in energy efficiency programs;

24 (v) The customer applies for other available energy-assistance programs, including fuel  
25 assistance and weatherization;

26 (vi) The customer agrees to make at least twelve (12) monthly payments in an amount  
27 determined by the utility and based on the customer's average monthly usage of the previous year,  
28 and the customer's actual or anticipated fuel assistance, if known. The electric- and/or gas-utility  
29 company shall review the payment plan every three (3) months and may adjust the plan based on  
30 the following: the amount of or change in fuel assistance; the customer moves; actual usage differs  
31 from estimated usage; and/or significant changes in the company's energy costs or rates from the  
32 time of anticipated enrollment;

33 (vii) With each payment, a portion of the customer's outstanding account balance shall be  
34 forgiven in an amount equal to the total past-due balance divided by the number of months in the

1 customer agreement;

2 (viii) Up to one thousand five hundred dollars (\$1,500) shall be forgiven in a twelve-month  
3 (12) period. If the outstanding account balance is greater than one thousand five hundred dollars  
4 (\$1,500), the length of the agreement may, at the request of the customer, be extended for more  
5 than twelve (12) months to accommodate the total outstanding balance, provided that the customer  
6 is current with payments at the conclusion of the previous twelve-month (12) period;

7 (ix) The customer agrees to remain current with payments. For purposes of this subsection,  
8 remaining current shall mean that the customer: (A) Misses no more than two (2) payments in a  
9 twelve-month (12) period covered by the agreement; and (B) That the amount due under the  
10 agreement is paid in full, by the conclusion of the twelve-month (12) period of the agreement;

11 (x) Failure to comply with the payment provisions set forth in this subsection shall be  
12 grounds for the customer to be removed from the repayment program established by this subsection  
13 and the balance due on the unpaid balance shall be due and payable in full, in accordance with the  
14 rules of the commission governing the termination of residential electric, gas, and water utility  
15 service, provided, that any arrearage already forgiven under subsection (d)(2)(vii) of this section  
16 shall remain forgiven and be written off by the utility. The amount of the arrearage, so forgiven,  
17 shall be recovered by the electric and/or gas company through an annual reconciling factor  
18 approved by the commission;

19 (xi) The commission may promulgate rules and regulations to implement this section that  
20 ensure efficient administration of the program in a nondiscriminatory manner consistent with the  
21 goal of providing assistance to customers who are willing and able to meet their obligations to the  
22 utility under this program;

23 (xii) Each public utility that provides gas or electric service to residential ratepayers shall  
24 file tariffs implementing the requirements of this section on a date to be determined by the  
25 commission which shall allow for the program to be in place no later than October 1, 2016;

26 (xiii) After two (2) years from the date of completion of the plan or removal from the plan  
27 for failure to remain current with payments and upon recommendation from a community action  
28 partnership agency, a customer shall be eligible to enroll in a subsequent arrearage forgiveness  
29 plan; and

30 (xiv) A customer, who completes the schedule of payments pursuant to this subsection,  
31 shall have the balance of any arrearage forgiven, and the customer's obligation to the gas and/or  
32 electric company for such unpaid balance shall be deemed to be fully satisfied. The amount of the  
33 arrearage, so forgiven, shall be treated as bad debt for purposes of cost recovery by the gas or the  
34 electric company up to the amount allowed in the gas and/or electric company's most recent general

1 rate filing. In the event the gas or electric company's bad debt for a calendar year exceeds the  
2 amount allowed in the most recent general-rate filing for the same period, the gas or electric  
3 company shall be entitled to recovery of those write-offs that were the result of the arrearage  
4 forgiveness plan set forth in this section.

5 (3) A customer terminated from service under the provisions of subsection (d)(1) or (d)(2)  
6 shall be eligible for restoration of service in accordance with the applicable provisions of part V  
7 section 4(E)(1)(C), or its successor provision, of the public utilities commission rules and  
8 regulations governing the termination of residential electric, gas, and water service.

9 (e) The commission shall complete a comprehensive review of all utility and energy-related  
10 programs and policies impacting protected classes and low-income ratepayers. In conducting its  
11 review, the commission shall consult with the division, the attorney general, the utility, the  
12 department of human services, the ratepayers advisory board established by § 39-1-37.1,  
13 community-based organizations, a homeless advisory group, and community action agencies, each  
14 of whom shall cooperate with meetings scheduled by the commission and any requests for  
15 information received by the commission by providing responses within twenty-one (21) days from  
16 issuance. The commission shall submit a report of its findings and recommendations to the  
17 governor and the general assembly no later than November 1, 2018. No later than November 15,  
18 2017, and annually thereafter, the commission shall submit to the governor, the senate president,  
19 and the speaker of the house a report on the effectiveness of the customer arrearage program which  
20 shall include a cost-benefit analysis and recommendations to improve the effectiveness of the  
21 arrearage program.

22 (f) Effective January 1, 2023, the department of human services shall:

23 (1) Expand the eligibility requirements for home heating assistance to include middle  
24 income taxpayers and retirees by raising the income guidelines to households which meet eighty-  
25 five percent (85%) of Rhode Island's median income levels, as set for each program year; and

26 (2) Double the amount of the current home heating assistance available to eligible  
27 participants.

28 (g) Funding for any expansion of assistance pursuant to subsection (f) of this section shall  
29 be provided by using American Rescue Plan funds allocated to Rhode Island to the extent such  
30 funds are available and thereafter from the general fund.

31 SECTION 3. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO PUBLIC UTILITIES AND CARRIERS -- PUBLIC UTILITIES COMMISSION

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1           This act would include middle income taxpayers and retirees as eligible participants for  
2 home heating assistance to include households which meet eighty-five percent (85%) of Rhode  
3 Island's median income levels. This act would also double the amount of assistance available to  
4 participants, to be funded by available American Rescue Plan funds.

5           This act would take effect upon passage.

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