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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - PUBLIC UTILITIES COMMISSION

Introduced By: Representatives Hull, Malik, Guthrie, Bennett, and Carnevale

Date Introduced: February 26, 2014

Referred To: House Corporations

It is enacted by the General Assembly as follows:

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

3 **39-1-1. Declaration of policy -- Purposes. --** (a) The general assembly finds and
4 therefore declares that:

5 (1) The businesses of distributing electrical energy, producing and transporting
6 manufactured and natural gas, operating water works and furnishing supplies of water for
7 domestic, industrial, and commercial use, offering to the public transportation of persons and
8 property, furnishing and servicing telephonic and wireless audio and visual communication
9 systems, and operation of community antenna television systems are affected with a public
10 interest;

11 (2) Supervision and reasonable regulation by the state of the manner in which such
12 businesses construct their systems and carry on their operations within the state are necessary to
13 protect and promote the convenience, health, comfort, safety, accommodation, and welfare of the
14 people, and are a proper exercise of the police power of the state;

15 (3) Preservation of the state's resources, commerce, and industry requires the assurance
16 of adequate public transportation and communication facilities, water supplies, and an abundance
17 of energy, all supplied to the people with reliability, at economical cost, and with due regard for
18 the preservation and enhancement of the environment, the conservation of natural resources,
19 including scenic, historic, and recreational assets, and the strengthening of long-range, land-use

1 planning.

2 (b) It is hereby declared to be the policy of the state to provide fair regulation of public
3 utilities and carriers in the interest of the public, to promote availability of adequate, efficient and
4 economical energy, communication, and transportation services and water supplies to the
5 inhabitants of the state, to provide just and reasonable rates and charges for such services and
6 supplies, without unjust discrimination, undue preferences or advantages, or unfair or destructive
7 competitive practices, and to co-operate with other states and agencies of the federal government
8 in promoting and coordinating efforts to achieve realization of this policy.

9 (c) To this end, there is hereby vested in the public utilities commission and the division
10 of public utilities and carriers the exclusive power and authority to supervise, regulate, and make
11 orders governing the conduct of companies offering to the public in intrastate commerce energy,
12 communication, and transportation services and water supplies for the purpose of increasing and
13 maintaining the efficiency of the companies, according desirable safeguards and convenience to
14 their employees and to the public, and protecting them and the public against improper and
15 unreasonable rates, tolls and charges by providing full, fair, and adequate administrative
16 procedures and remedies, and by securing a judicial review to any party aggrieved by such an
17 administrative proceeding or ruling.

18 (d) The legislature also finds and declares, as of 1996, the following:

19 (1) That lower retail electricity rates would promote the state's economy and the health
20 and general welfare of the citizens of Rhode Island;

21 (2) That current research and experience indicates that greater competition in the
22 electricity industry would result in a decrease in electricity rates over time;

23 (3) That greater competition in the electricity industry would stimulate economic growth;

24 (4) That it is in the public interest to promote competition in the electricity industry and
25 to establish performance based ratemaking for regulated utilities;

26 (5) That in connection with the transition to a more competitive electric utility industry,
27 public utilities should have a reasonable opportunity to recover transitional costs associated with
28 commitments prudently incurred in the past pursuant to their legal obligations to provide reliable
29 electric service at reasonable costs;

30 (6) That it shall be the policy of the state to encourage, through all feasible means and
31 measures, states where fossil-fueled electric generating units producing air emissions affecting
32 Rhode Island air quality are located to reduce such emissions over time to levels that enable cost
33 effective attainment of environmental standards within Rhode Island;

34 (7) That in a restructured electrical industry the same protections currently afforded to

1 low income customers shall continue.

2 (e) The legislature further finds and declares as of 2006:

3 (1) That prices of energy, including especially fossil-fuels and electricity, are rising
4 faster than the cost of living and are subject to sharp fluctuations, which conditions create
5 hardships for many households, institutions, organizations, and businesses in the state;

6 (2) That while utility restructuring has brought some benefits, notably in transmission
7 and distribution costs and more efficient use of generating capacities, it has not resulted in
8 competitive markets for residential and small commercial industrial customers, lower overall
9 prices, or greater diversification of energy resources used for electrical generation;

10 (3) That the state's economy and the health and general welfare of the people of Rhode
11 Island benefit when energy supplies are reliable and least-cost; and

12 (4) That it is a necessary move beyond basic utility restructuring in order to secure for
13 Rhode Island, to the maximum extent reasonably feasible, the benefits of reasonable and stable
14 rates, least-cost procurement, and system reliability that includes energy resource diversification,
15 distributed generation, and load management.

16 (f) The legislature further finds and declares as of 2014, that the state benefits most when
17 energy supplies are delivered in a safe and reliable manner; and that attempts to lower costs and
18 increase profits must not take precedence over the need for the residents of the state to have
19 access to customer service representatives physically located and accessible within the state.

20 SECTION 2. Chapter 39-2 of the General Laws entitled "Duties of Utilities and Carriers"
21 is hereby amended by adding thereto the following section:

22 **39-2-26. Duty to maintain customer service operations within the state. -- Every**
23 public utility operated and licensed to provide services to the residents and businesses within the
24 state under chapter 39-1 shall maintain a customer service operation physically located within the
25 state which is reasonably staffed to meet the expectations of the public. The customer service
26 operation shall be available to answer customer inquiries, meet with customers, accept payment
27 of bills, and perform any other purpose that the public utilities commission may direct from time
28 to time.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO PUBLIC UTILITIES AND CARRIERS - PUBLIC UTILITIES COMMISSION

- 1 This act would require all public utilities to maintain a customer service facility within
- 2 the state to perform services such as customer inquiries and bill payment.
- 3 This act would take effect upon passage.

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