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LC000874/SUB A
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS

Introduced By: Senators Miller, Sosnowski, Metts, Pichardo, and Goodwin

Date Introduced: February 11, 2015

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

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

3 **39-2-1. Reasonable and adequate services -- Reasonable and just charges.** -- (a)

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

17 (1) Effective immediately, following the issuance of a decision by the commission under
18 39-1-27.2(d), the utility shall collect a LIHEAP Enhancement Chargefunds from all utility
19 customers, for the funding of the LIHEAP Enhancement Fund.

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

7 (c) The commission shall promulgate such further rules and regulations as are necessary
8 to protect consumers following the introduction of competition in the electric industry and which
9 are consistent with this chapter and the provisions of § 39-1.1-3. In promulgating such rules and
10 regulations, the commission shall confer with the Retail Electric Licensing Commission and shall
11 give reasonable consideration to any and all recommendations of the Retail Electric Licensing
12 Commission.

13 ~~(d)(1) On or before May 1, 2007, the commission shall administer such rules and~~
14 ~~regulations as may be necessary to implement the purpose of subdivision (1) of this section and to~~
15 ~~provide for restoration of electric and/or gas service to very low income households as defined by~~
16 ~~§ 42-141-2.~~ On or before August 15, 2011, the commission shall administer such rules and
17 regulations, as may be necessary, to implement the purpose of subdivision (2) of this section and
18 to provide for the restoration of electric and/or gas service to LIHEAP-eligible households,
19 defined as those with a combined gross income equal to or less than sixty percent (60%) of the
20 state median household income as calculated by the U.S. Bureau of Census and as adjusted for
21 family or group size by the U.S. Department of Health and Human Services regulation 45 CFR
22 Sec. 96.85 or its successor regulation.

23 ~~(1) Effective July 1, 2007 until October 14, 2011, notwithstanding the provisions of part~~
24 ~~V sections 4(E)(1)(B) and (C) of the public utilities commission rules and regulations governing~~
25 ~~the termination of residential electric, gas, and water utility service, a very low income customer~~
26 ~~who is terminated from gas and/or electric service or is recognized pursuant to a rule or decision~~
27 ~~by the division as being scheduled for actual shut off of service on a date specified, shall be~~
28 ~~eligible one time to have electric and/or gas utility service restored providing the following~~
29 ~~conditions are met:~~

30 ~~(i) The customer pays twenty five percent (25%) of the customer's unpaid balance;~~

31 ~~(ii) The customer agrees to pay one thirty sixth (1/36) of one half (1/2) of the customer's~~
32 ~~remaining balance per month for thirty six (36) months;~~

33 ~~(iii) The customer agrees to remain current with payments for current usage. For~~
34 ~~purposes of this subsection remaining current with payments shall mean that the customer: (a)~~

1 ~~misses no more than a total of three (3) payments in the thirty six (36) month period covered by~~
2 ~~the agreement; (b) misses more than two (2) payments in any one calendar year, provided that~~
3 ~~such missed payments in a calendar year are not consecutive and that payments for the year are~~
4 ~~up to date by October 31st; and (c) that the amount due under that agreement is paid in full by the~~
5 ~~conclusion of the period of the agreement;~~

6 ~~(iv) The customer has shown, to the satisfaction of the division, that the customer is~~
7 ~~reasonably capable of meeting the payment schedule provided for by the provisions of~~
8 ~~subdivision 39-2-1(d)(1)(i) and (ii) in this section. The restoration of service provided for by this~~
9 ~~subsection shall be a one-time right; failure to comply with the payment provisions set forth in~~
10 ~~this subsection shall be grounds for the customer to be dropped from the repayment program~~
11 ~~established by this subsection, and the balance due on the unpaid balance shall be due in full and~~
12 ~~shall be payable in accordance with the rules of the commission governing the termination of~~
13 ~~residential electric, gas, and water utility service. A customer who completes the schedule of~~
14 ~~payments pursuant to this subsection, shall have the balance of any arrearage forgiven, and the~~
15 ~~customer's obligation to the gas and/or electric company for such balance shall be deemed to be~~
16 ~~fully satisfied. The amount of the arrearage so forgiven shall be treated as bad debt for purposes~~
17 ~~of cost recovery by the gas or the electric company.~~

18 (2) Effective ~~October 15, 2011~~ October 1, 2015, notwithstanding the provisions of part V
19 sections 4(E)(1)(B) and (C) of the public utilities commission rules and regulations governing the
20 termination of residential electric, gas, and water utility service, a LIHEAP-eligible customer, as
21 defined above in this section, who has been terminated from gas and/or electric service or is
22 recognized, pursuant to a rule or decision by the division, as being scheduled for actual shut-off
23 of service on a specific date, shall not be deprived electric and/or gas utility service provided the
24 following conditions are met:

25 ~~(i) The customer makes an initial payment of ten percent (10%) of the customer's unpaid~~
26 ~~balance; and~~

27 ~~(ii) The customer agrees to pay an amount equal to one thirty sixth (1/36) of forty~~
28 ~~percent (40%) of the customer's unpaid balance, per month for thirty six (36) months; and~~

29 ~~(iii) The customer agrees to remain current with payments for current usage. For~~
30 ~~purposes of this subsection, remaining current with payments, shall mean that the customer: (A)~~
31 ~~Misses no more than a total of three (3) payments in the thirty six (36) month period covered by~~
32 ~~the agreement; (B) Misses more than two (2) payments in any one calendar year, provided that~~
33 ~~such missed payments in a calendar year are not consecutive and that payments for the year are~~
34 ~~up to date by October 31st; and (C) That the amount due under that agreement is paid in full, by~~

1 ~~the conclusion of the period of the agreement; and~~

2 ~~(iv) The customer has shown, to the satisfaction of the division, that the customer is~~
3 ~~reasonably capable of meeting the payment schedule, provided for by the provisions of~~
4 ~~subdivision 39-2-1(d)(1)(i) and (ii) in this section. The restoration of service, provided for by this~~
5 ~~subsection, shall be a one-time right; failure to comply with the payment provisions set forth in~~
6 ~~this subsection shall be grounds for the customer to be removed from the repayment program~~
7 ~~established by this subsection and the balance due on the unpaid balance, shall be due and~~
8 ~~payable in full, in accordance with the rules of the commission governing the termination of~~
9 ~~residential electric, gas, and water utility service. A customer, who completes the schedule of~~
10 ~~payments, pursuant to this subsection, shall have the balance of any arrearage forgiven, and the~~
11 ~~customer's obligation to the gas and/or electric company for such unpaid balance shall be deemed~~
12 ~~to be fully satisfied. The amount of the arrearage, so forgiven, shall be treated as bad debt for~~
13 ~~purposes of cost recovery by the gas or the electric company.~~

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

16 (ii) The customer is eligible for the federal low-income home energy assistance program
17 and the account is enrolled in the utility low-income rate if offered;

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

22 (iv) The customer agrees to participate in energy efficient programs;

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

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

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

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

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

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
13 subsection and the balance due on the unpaid balance, shall be due and payable in full, in
14 accordance with the rules of the commission governing the termination of residential electric, gas,
15 and water utility service, provided, that any arrearage already forgiven under subsection (d)(2)(ii)
16 of this section shall remain forgiven and be written off by the utility. The amount of the arrearage,
17 so forgiven, shall be recovered by the electric and/or gas company through an annual reconciling
18 factor approved by the commission.

19 (xi) The commission may promulgate rules and regulations to implement this section that
20 ensures efficient administration of the program in a non-discriminatory manner consistent with
21 the goal of providing assistance to customers who are willing and able to meet their obligations to
22 the 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 by October 1, 2015.

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

30 ~~(3)~~(2) A customer terminated from service under the provisions of subdivision 39-2-
31 1(d)(1) or subdivision 39-2-1(d)(2) shall be eligible for restoration of service in accordance with
32 the applicable provisions of part V section 4(E)(1)(C), or its successor provision, of the public
33 utilities commission rules and regulations governing the termination of residential electric, gas,
34 and water service.

1 (e) The commission shall complete a comprehensive review of all utility and energy
2 related programs and policies impacting protected classes and low-income ratepayers. In
3 conducting its review, the commission shall consult with the division, the attorney general, the
4 utility, the department of human services, the ratepayers advisory board established by § 39-1-
5 37.1, community based organizations, and community action agencies, each of whom shall
6 cooperate with meetings scheduled by the commission and any requests for information received
7 by the commission by providing responses within twenty-one (21) days from issuance. The
8 commission shall submit a report of its findings and recommendations to the governor and the
9 general assembly no later than November 1, 2016. No later than November 15, 2016, and
10 annually thereafter, the commission shall submit to the governor, the senate president and the
11 speaker of the house a report on the effectiveness of the customer arrearage program which shall
12 include a cost benefit analysis and recommendations to improve effectiveness of the arrearage
13 program.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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1 This act would allow the department of human services to use low-income home energy
2 assistance funds throughout the calendar year, establishes an arrearage program and requires the
3 PUC to conduct a review of programs impacting low-income ratepayers.

4 This act would take effect upon passage.

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