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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- PUBLIC UTILITIES COMMISSION

Introduced By: Representatives Ruggiero, Handy, Casimiro, Kazarian, and Morin

Date Introduced: March 08, 2017

Referred To: House Corporations

(Lieutenant Governor)

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 39-1-27, 39-1-27.7.1 and 39-1-38 of the General Laws in Chapter
2 39-1 entitled "Public Utilities Commission" are hereby amended to read as follows:

3 **39-1-27. Electric distribution companies required to file restructuring plans.**

4 (a) Each electric distribution company shall file with the commission a plan for
5 transferring ownership of generation facilities into a separate affiliate of the electric distribution
6 company. The transmission facilities owned by the electric distribution company also may be
7 transferred to an affiliated electric transmission company at a price that shall equal the book value
8 of the transmission facilities on the electric distribution company's accounts net of depreciation
9 and deferred taxes as the date of transfer, but such a transfer is not required. The generation plant,
10 equipment, and facilities owned by an electric distribution company shall be transferred to an
11 affiliate that is a nonregulated power producer at a price that shall equal the book value of the
12 generation plant, equipment, and facilities on the electric distribution company's accounts net of
13 depreciation and deferred taxes as of the date of the transfer. Consistent with the schedule for
14 implementing retail access in § 39-1-27.3, each electric transmission company shall file tariffs
15 with the federal energy regulatory commission (FERC) and electric distribution companies shall
16 file tariffs with the commission. The tariffs will provide the terms, conditions and rates for
17 nondiscriminatory access to transmission and distribution facilities to wholesale and retail
18 customers and to nonregulated power producers. The tariffs shall (1) conform to the standards,
19 policies, and requirements of the federal energy regulatory commission or the commission as

1 appropriate with respect to nondiscriminatory access to transmission and distribution services, (2)
2 fulfill such standards with respect to both transmission and distribution services for the benefit of
3 both wholesale and retail customers and their suppliers, and (3) provide retail access in
4 accordance with the schedule set forth in § 39-1-27.3. For purposes of this section,
5 "nondiscriminatory access" means access to transmission and distribution services on rates, terms
6 and conditions found to be reasonable by the FERC or the commission as appropriate and applied
7 consistently to all customers in a rate class regardless of their supplier. When establishing terms
8 and conditions for distribution service, the commission shall implement standards, policies, and
9 requirements consistent with those established by the federal energy regulatory commission for
10 transmission service unless it determines that alternative terms and conditions are in the public
11 interest.

12 (b) The commission shall review the plan within six (6) months of filing and if the plan is
13 in compliance with chapter 3 of this title, shall authorize the property transfers, securities
14 issuances, and affiliate transactions pursuant to this title and shall grant all necessary regulatory
15 approvals. All existing state and local rights, authorizations, and approvals, including but not
16 limited to, permits, licenses, locations, indentures, leases, orders, or similar rights associated with
17 the ownership and operation of plant and equipment, shall be deemed transferred with the
18 associated plant and equipment upon the commission's authorization of the transfer effective as of
19 the date of transfer. Notwithstanding any provisions of this section, if the electric distribution
20 company's wholesale power supplier chooses to transfer its generation assets to a nonaffiliate of
21 the electric distribution company for purposes of carrying out the market valuation required by §
22 39-1-27.4(g), and such transfer to a nonaffiliate is specified in the electric distribution company's
23 restructuring plan filed with the commission pursuant to subsection (a) of this section, the transfer
24 of the electric distribution company's interest in the generation facilities may be made directly to
25 the nonaffiliate. In the case of such a transfer directly to a nonaffiliate, all of the state and local
26 rights, authorizations and approvals, including those enumerated above, shall be deemed
27 transferred with the associated plant and equipment upon the commission's authorization of the
28 transfer effective as of the date of the transfer.

29 (c) The electric distribution company shall implement the corporate reorganizations and
30 property transfers specified in such restructuring plan, terminate its all requirements contract with
31 its wholesale power supplier on the terms set forth in § 39-1-27.4 and provide retail access for all
32 customers in Rhode Island with a standard offer as set forth in § 39-1-27.3 no later than three (3)
33 months after retail access is available to forty percent (40%) or more of the kilowatt-hour sales in
34 New England. The commission may extend this time if it determines that additional time is

1 necessary to implement the transactions on reasonable terms and in accordance with a reasonable
2 schedule; provided, however, that nothing in this section shall be construed to limit the effect of §
3 39-1-27.3 or permit the commission to unduly discriminate in providing retail access among or
4 within rate classes.

5 (d) Following the complete implementation of the restructuring plans, electric
6 distribution companies shall be prohibited from selling electricity at retail and from owning,
7 operating, or controlling generating facilities, although such facilities may be owned by affiliates
8 of electric distribution companies. For purposes of this paragraph providing the standard offer
9 service and last resort power supply in accordance with subsections (d) and (f) of § 39-1-27.3
10 shall not be construed as selling electricity at retail. Furthermore:

11 (1) Generation activities shall remain separate from transmission and distribution
12 activities;

13 (2) Electric distribution companies shall be removed from the business of electric
14 generation;

15 (3) The commission shall not approve any petition, plan, contract or schedule that shifts
16 the risks of generation investments toward ratepayers and away from private investors in the
17 competitive market, including, but not limited to, the following:

18 (i) The commission shall not approve ratepayer-backed, long-term contracts by electric
19 distribution companies for gas capacity; and

20 (ii) The commission shall not approve any rate increase for an electric distribution
21 company to finance the construction or expansion of natural gas pipelines or related facilities.

22 (e) Following the termination of the electric distribution company's contracts with its
23 wholesale power supplier, the wholesale power supplier shall become a nonregulated power
24 producer, and shall be free, subject to the requirements of the standard offer set forth in § 39-1-
25 27.3(e) and retail electric licensing commission plan requirements pursuant to § 39-1-27.1 to sell
26 electricity generated from each of its facilities on either the wholesale or retail markets at market
27 prices, either directly or through an affiliate, which shall also become a nonregulated power
28 producer. The former wholesale power supplier and its affiliates shall be free to apply to become
29 exempt wholesale generators pursuant to section 32 of the Public Utility Holding Company Act
30 of 1935, 15 U.S.C. § 79z-5a, and other federal law, rules and regulations, and each and every
31 generating facility of the former wholesale power supplier shall become an eligible facility
32 pursuant to that statute. Accordingly, the legislature hereby finds and declares that the division
33 has sufficient regulatory authority, resources, access to books and records to exercise its duties;
34 and that the full participation of former wholesale power suppliers and affiliated nonregulated

1 power producers in the market and the designation of each of the former wholesale power
2 supplier's facilities as eligible facilities will benefit consumers, is consistent with state law, will
3 not provide any unfair competitive advantage by virtue of their status as a former wholesale
4 power supplier or as affiliates of electric distribution companies, and is in the public interest.

5 (f) Although reducing air emissions from power plants is a goal of electricity industry
6 restructuring, power plants in Rhode Island already have low emissions relative to their
7 counterparts in other states. For this reason, it is unnecessary for the restructuring plans required
8 by this section to address in-state air emission reductions. However, to the extent a wholesale
9 power supplier receiving contract termination fees pursuant to § 39-1-27.4(b)(4) owns and
10 operates as of December 31, 1995 fossil fired generation in another state which does not meet air
11 emission standards applicable as of that date to new electric generating facilities in that state, such
12 wholesale power suppliers shall cooperate with the appropriate environmental officials in the
13 state or states where such generating facilities are located to develop a plan for reducing the
14 emissions of nitrogen oxides, sulfur dioxide, and particulate matter from such plants on an overall
15 basis through retirements, replacements, controls or offsets or any combination of the above
16 toward the air emissions standards applicable to new electric generating facilities in effect in the
17 state or states where the plants are located as of January 1, 1996. Such plans shall be implemented
18 in connection with electric industry restructuring in the state or states where the generating
19 facilities are located.

20 (g) An electric distribution company, whether public, quasi-municipal or investor owned,
21 that as of January 1, 1996 did not purchase power at wholesale from a wholesale power supplier
22 under an all requirements contract shall include proposals for recovering transition costs
23 consistent with the elements which would be comparable in nature to the elements included in
24 termination fees pursuant to § 39-1-27.4(b) through (g) and for providing a standard offer
25 consistent with requirements of § 39-1-27.3(d) in its plan filed with the commission pursuant to
26 this section. The filing by an electric distribution company that is a quasi-municipal corporation
27 shall also address any unique circumstances affecting the electric distribution company including
28 special contract requirements or charter restrictions and the conditions that the quasi-municipal
29 corporation must satisfy in order to participate in retail competition. In reviewing the filing and
30 determining the appropriate level of transition cost recovery, the commission shall apply
31 standards consistent with those contained in § 39-1-27.4(b) through (g) and with this subsection.
32 The commission shall be authorized to take any action or to grant any approval necessary to
33 maintain hydro-electric power purchases from the Niagara and St. Lawrence power projects by
34 quasi-municipal corporations. Notwithstanding any other provision of this section, quasi-

1 municipal electric distribution companies that purchase hydro-electric power from the Niagara
2 and St. Lawrence power projects shall be authorized to continue to resell such power to
3 residential customers within their service territories. After notice and public hearing, the
4 commission may exempt electric distribution companies subject to this paragraph from: (1) the
5 requirement to transfer ownership of generation and transmission facilities to affiliated companies
6 pursuant to subsection (a); and (2) the prohibition against selling electricity at retail pursuant to
7 subsection (d) of this section with respect to sales within the service territory of such electric
8 distribution company, if it determines that such exemptions are in the public interest.

9 (h) With the exception of the requirements of the standard offer set forth in § 39-1-
10 27.3(e) and (f) and retail electric licensing commission plan requirements pursuant to § 39-1-27.1,
11 nothing in this section shall be construed or interpreted to constrain the application of anti-trust
12 laws to nonregulated power producers, whether affiliated or not with an electric distribution
13 company.

14 **39-1-27.7.1. Revenue decoupling.**

15 (a) The general assembly finds and declares that electricity and gas revenues ~~shall~~ may be
16 ~~fully~~ decoupled from sales pursuant to the provisions of this chapter and further finds and
17 declares that any decoupling proposal submitted by an electric-distribution company as defined in
18 subdivision 39-1-2(12) or gas-distribution company included as a public utility in subdivision 39-
19 1-2(20) that has greater than one hundred thousand (100,000) customers, shall be for the
20 following purposes:

21 (1) Increasing efficiency in the operations and management of the electric- and gas-
22 distribution system;

23 (2) Achieving the goals established in the electric-distribution company's plan for system
24 reliability and energy efficiency and conservation procurement as required pursuant to subsection
25 39-1-27.7(c);

26 (3) Increasing investment in least-cost resources that will reduce long-term electricity
27 demand;

28 (4) Reducing risks for both customers and the distribution company including, but not
29 limited to, societal risks, weather risks, and economic risks;

30 (5) Increasing investment in end-use energy efficiency;

31 (6) Eliminating disincentives to support energy-efficiency programs;

32 (7) Facilitating and encouraging investment in utility infrastructure, safety, and
33 reliability; and

34 (8) Considering the reduction of fixed, recurring customer charges and transition to

1 increased unit charges that more accurately reflect the long-term costs of energy production and
2 delivery.

3 (b) Each electric-distribution company as defined by subdivision 39-1-2(12) and gas-
4 distribution company included as a public utility in subdivision 39-1-2(20) having greater than
5 one hundred thousand (100,000) customers shall file proposals at the commission to implement
6 the policy set forth in subsection (a). The commission ~~shall~~ may approve such proposals,
7 provided they contain the features and components set forth in subsection (c), and that they are
8 consistent with the intent and objectives contained in subsection (a). Actions taken by the
9 commission in the exercise of its ratemaking authority for electric- and gas-rate cases shall be
10 within the norm of industry standards and recognize the need to maintain the financial health of
11 the distribution company as a stand-alone entity in Rhode Island.

12 (c) The proposals shall contain the following features and components:

13 (1) A revenue decoupling reconciliation mechanism that reconciles annually the revenue
14 requirement allowed in the company's base distribution-rate case to revenues actually received for
15 the applicable twelve-month (12) period; provided that the mechanism for gas distribution shall
16 be determined on a revenue-per-customer basis, in a manner typically employed for gas-
17 distribution companies in the industry. Any revenues over-recovered or under-recovered shall be
18 credited to, or recovered from, customers, as applicable; and

19 (2) An annual infrastructure, safety, and reliability spending plan for each fiscal year and
20 an annual rate-reconciliation mechanism that includes a reconcilable allowance for the anticipated
21 capital investments and other spending pursuant to the annual pre-approved budget as developed
22 in accordance with subsection (d).

23 (d) Prior to the beginning of each fiscal year, gas- and electric-distribution companies
24 shall consult with the division of public utilities and carriers regarding their infrastructure, safety,
25 and reliability spending plan for the following fiscal year, addressing the following categories:

26 (1) Capital spending on utility infrastructure;

27 (2) For electric-distribution companies, operation and maintenance expenses on
28 vegetation management;

29 (3) For electric-distribution companies, operation and maintenance expenses on system
30 inspection, including expenses from expected resulting repairs; and

31 (4) Any other costs relating to maintaining safety and reliability that are mutually agreed
32 upon by the division and the company.

33 The distribution company shall submit a plan to the division and the division shall
34 cooperate in good faith to reach an agreement on a proposed plan for these categories of costs for

1 the prospective fiscal year within sixty (60) days. To the extent that the company and the division
2 mutually agree on a plan, such plan shall be filed with the commission for review and approval
3 within ninety (90) days. If the company and the division cannot agree on a plan, the company
4 shall file a proposed plan with the commission and the commission shall review and, if the
5 investments and spending are found to be reasonably needed to maintain safe and reliable
6 distribution service over the short and long term, approve the plan within ninety (90) days.

7 (e) Prior to making any filing related to revenue decoupling, and at least annually, the
8 company shall submit a report to the commission and division, with supporting documentation,
9 which shall include, but not be limited to, the following elements:

10 (1) A detailed summary of how the company is achieving increased efficiency in the
11 operations and management of the electric- or gas-distribution system;

12 (2) A detailed summary of how the company has encouraged investment in end-use
13 energy efficiency and supported energy-efficiency programs;

14 (3) A detailed summary of customer service-related complaints received by the company
15 (with or without division or commission involvement), the company's method for tracking and
16 responding to such complaints, and the timing for resolving such service-related complaints;

17 (4) A detailed summary of customer billing-related complaints received by the company
18 (with or without division or commission involvement), the company's method for tracking and
19 responding to such complaints, and the timing for resolving such billing-related complaints; and

20 (5) A detailed summary of all incentive payments received by the company, including the
21 total earned under each incentive program, and any actions taken by the company to earn such
22 incentive payments.

23 (f) Every electric- or gas-distribution company, included in subsection (a) of this section,
24 shall submit a general rate schedule change filing (i.e. full rate filing) no later than January 1,
25 2018, and at least every three (3) years thereafter.

26 ~~(e)~~(g) The commission shall have the following duties and powers, in addition to its
27 existing authorities established in title 39 of the general laws:

28 (1) To maintain reasonable and adequate service-quality standards, after decoupling, that
29 are in effect at the time of the proposal and were established pursuant to § 39-3-7.

30 (2) The commission may exclude the low-income rate class from the revenue decoupling
31 reconciliation-rate mechanism for either electric or gas distribution. The commission also may
32 exclude customers in the large commercial and industrial rate class from the gas-distribution
33 mechanism.

34 (3) The commission may adopt performance incentives for the electric-distribution

1 company that provides a shared-savings mechanism whereby the company would receive a
2 percentage of savings realized as a result of achieving the purposes of this section while the
3 remaining savings are credited to customers.

4 (4) The commission shall review and approve, with any necessary amendments,
5 performance-based, energy-savings targets developed and submitted by the Rhode Island energy
6 efficiency and resources management council. Said performance-based targets shall also be used
7 as a consideration in any shared-savings mechanism established by the commission pursuant to
8 subdivision (3) herein.

9 (5) The general assembly recognizes that the revenue decoupling mechanism
10 substantially reduces the risk to the company and its investors. The commission shall consider the
11 availability of revenue decoupling during any rate filing by reducing the appropriate profit level
12 to offset the full impact of the company's reduced risk attributable to decoupling.

13 ~~(h)~~ The Rhode Island energy efficiency and resources management council shall
14 propose performance-based, energy-savings targets to the commission no later than September 1,
15 2010. The targets shall include, but not be limited to, specific energy kilowatt-hour savings
16 overall and peak-demand savings for both summer- and winter-peak periods expressed in total
17 megawatts as well as appropriate targets recommended in the opportunities report filed with the
18 commission pursuant to § 39-1-27.7(c)(3). The council shall revise, as necessary, these targets on
19 an annual basis prior to the reconciliation process established pursuant to subsection (c) and
20 submit its revisions to the commission for approval.

21 ~~(g) Reporting:~~ (i) Every electric-distribution company, as defined in subsection (a) shall
22 report to the governor, general assembly, division of public utilities, and public utilities
23 commission annually on or before September 1, ~~2012~~. Said report shall include, but not be limited
24 to, the following elements:

25 (1) A comparison of revenues from traditional rate regulation and how the revenues have
26 differed as part of an approved decoupling structure;

27 (2) A summary of how the company is achieving the performance-based targets that may
28 have been adopted pursuant to subdivision ~~(e)~~(g)(4);

29 (3) A summary of any shared savings the company may have received pursuant to the
30 performance incentives authorized in subdivision ~~(e)~~(g)(3);

31 (4) A summary of how the company is achieving the service-quality standards required in
32 subdivision ~~(e)~~(g)(1);

33 (5) An overview of how decoupling is impacting revenue stabilization goals that have
34 resulted from decoupling; and

1 (6) A summary of any customer education programs provided.

2 **39-1-38. Liberal construction -- Incidental powers -- Severability.**

3 The provisions of this title shall be interpreted and construed liberally in aid of its
4 declared purpose. The commission and the division shall have, in addition to powers specified in
5 this chapter, all additional, implied, and incidental power which may be proper or necessary to
6 effectuate their purposes. The commission, notwithstanding any mandatory approval language set
7 forth elsewhere throughout the general laws or any rule or regulation, shall always have the
8 overriding right and duty to review all commission filings and to modify them as the commission
9 deems necessary and desirable to ensure the result is just and reasonable for ratepayers. No rule,
10 order, act or regulation of the commission and of the division shall be declared inoperative,
11 illegal, or void for any omission of a technical nature. If any provision of this title, or of any rule
12 or regulation made thereunder, or the application thereof to any company or circumstance, is held
13 invalid by a court of competent jurisdiction, the remainder of the title, rule, or regulation, and the
14 application of such provision to other companies or circumstances shall not be affected thereby.
15 The invalidity of any section or sections or parts of any section or sections of this title shall not
16 affect the validity of the remainder of the title.

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

19 **39-2-1. Reasonable and adequate services -- Reasonable and just charges.**

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

33 (1) Effective immediately, following the issuance of a decision by the commission under
34 39-1-27.2(d), the utility shall collect a LIHEAP enhancement charge from all utility customers,

1 for the funding of the LIHEAP Enhancement Fund.

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

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

14 (d) (1) On or before August 15, 2011, the commission shall administer such rules and
15 regulations, as may be necessary, to implement the purpose of subdivision (2) of this subsection
16 and to provide for the restoration of electric and/or gas service to low-income home energy
17 assistance program (LIHEAP)-eligible households, as this eligibility is defined in the current
18 LIHEAP state plan for Rhode Island filed with the U.S. Department of Health and Human
19 Services.

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

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

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

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

- 1 (iv) The customer agrees to participate in energy efficiency programs;
- 2 (v) The customer applies for other available energy-assistance programs, including fuel
3 assistance and weatherization;
- 4 (vi) The customer agrees to make at least twelve (12) monthly payments in an amount
5 determined by the utility and based on the customer's average monthly usage of the previous year,
6 and the customer's actual or anticipated fuel assistance, if known. The electric- and/or gas-utility
7 company shall review the payment plan every three (3) months and may adjust said plan based on
8 the following: the amount of or change in fuel assistance; the customer moves, actual usage
9 differs from estimated usage; and/or significant changes in the company's energy costs or rates
10 from the time of anticipated enrollment;
- 11 (vii) With each payment, a portion of the customer's outstanding account balance shall be
12 forgiven in an amount equal to the total past-due balance divided by the number of months in the
13 customer agreement;
- 14 (viii) Up to one thousand five hundred dollars (\$1,500) shall be forgiven in a twelve-
15 month (12) period. If the outstanding account balance is greater than one thousand five hundred
16 dollars (\$1,500), the length of the agreement may, at the request of the customer, be extended for
17 more than twelve (12) months to accommodate the total outstanding balance, provided that the
18 customer is current with payments at the conclusion of the previous twelve-month (12) period;
- 19 (ix) The customer agrees to remain current with payments. For purposes of this
20 subsection, remaining current shall mean that the customer: (A) Misses no more than two (2)
21 payments in a twelve-month (12) period covered by the agreement; and (B) That the amount due
22 under the agreement is paid in full, by the conclusion of the twelve-month (12) period of the
23 agreement;
- 24 (x) Failure to comply with the payment provisions set forth in this subsection shall be
25 grounds for the customer to be removed from the repayment program established by this
26 subsection and the balance due on the unpaid balance shall be due and payable in full, in
27 accordance with the rules of the commission governing the termination of residential electric-,
28 gas-, and water-utility service, provided, that any arrearage already forgiven under subsection
29 (d)(2)(ii) of this section shall remain forgiven and be written off by the utility. The amount of the
30 arrearage, so forgiven, shall be recovered by the electric and/or gas company through an annual
31 reconciling factor approved by the commission;
- 32 (xi) The commission may promulgate rules and regulations to implement this section that
33 ensure efficient administration of the program in a non-discriminatory manner consistent with the
34 goal of providing assistance to customers who are willing and able to meet their obligations to the

1 utility under this program;

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

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

9 (xiv) A customer, who completes the schedule of payments pursuant to this subsection,
10 shall have the balance of any arrearage forgiven, and the customer's obligation to the gas and/or
11 electric company for such unpaid balance shall be deemed to be fully satisfied. The amount of the
12 arrearage, so forgiven, shall be treated as bad debt for purposes of cost recovery by the gas or the
13 electric company up to the amount allowed in the gas and/or electric company's most recent
14 general rate filing. In the event the gas or electric company's bad debt for a calendar year exceeds
15 the amount allowed in the most recent general-rate filing for the same period, the gas or electric
16 company shall be entitled to recovery of those write-offs that were the result of the arrearage
17 forgiveness plan set forth in this section.

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

22 (e) The commission shall complete a comprehensive review of all utility- and energy-
23 related programs and policies impacting protected classes and low-income ratepayers. In
24 conducting its review, the commission shall consult with the division, the attorney general, the
25 utility, the department of human services, the ratepayers advisory board established by § 39-1-
26 37.1, community-based organizations, a homeless advisory group, and community action
27 agencies, each of whom shall cooperate with meetings scheduled by the commission and any
28 requests for information received by the commission by providing responses within twenty-one
29 (21) days from issuance. The commission shall submit a report of its findings and
30 recommendations to the governor and the general assembly no later than November 1, 2018. No
31 later than November 15, 2017, and annually thereafter, the commission shall submit to the
32 governor, the senate president, and the speaker of the house a report on the effectiveness of the
33 customer arrearage program which shall include a cost-benefit analysis and recommendations to
34 improve effectiveness of the arrearage program.

1 (f) Every public utility shall provide prompt and adequate customer service to its rate
2 payers as provided in §39-2-1.5.

3 SECTION 3. Chapter 39-1 of the General Laws entitled "Public Utilities Commission" is
4 hereby amended by adding thereto the following section:

5 **39-1-27.13. Alternative suppliers and purchase of receivables program.**

6 (a) The general assembly recognizes the importance of competitive choice in electric
7 generation service.

8 (b) Residential or commercial customers:

9 (1) Initiating new utility service;

10 (2) Reinstating service following a change of residence or business location;

11 (3) Making an inquiry regarding their rates; or

12 (4) Seeking information regarding energy efficiency shall be offered the option to learn
13 about their ability to enroll with a participating alternative supplier of energy. Customers
14 expressing an interest in learning about their electric supply options shall be informed of offers
15 available by participating alternative suppliers. The electric distribution company shall describe
16 then available offers using a method approved by the commission.

17 (c) Participating alternative suppliers of energy may list qualifying electric offers to
18 provide electric generation service to residential or commercial customers in each customer's
19 utility bill. The commission shall determine the manner such information may be presented in
20 customers' utility bills.

21 (d) For electric suppliers who have chosen the complete billing service, as described in
22 Narragansett Electric Company's Terms and Conditions for Nonregulated Power Producers,
23 R.I.P.U.C. No. 1191. Section 2.1.1, the electric distribution company shall make timely payments
24 to such suppliers in accordance with this subsection. The distribution company shall:

25 (1) Bill all of the electric supplier's customers in a service class according to complete
26 billing;

27 (2) Pay such suppliers the full amounts due from customers for generation services in a
28 time period consistent with the average payment period of the participating class of customer, less
29 a percentage of such amounts that reflects the average of the uncollectible bills for the
30 participating customer classes of the electric distribution company and other reasonable
31 development, operating or carrying costs incurred, as approved by the commission.

32 SECTION 4. Chapter 39-2 of the General Laws entitled "Duties of Utilities and Carriers"
33 is hereby amended by adding thereto the following section:

34 **39-2-1.5. Minimum customer service levels.**

1 (a) Every public utility shall provide prompt and adequate customer service which shall
2 include prompt installation of new service and service upgrades to its ratepayers, and compliance
3 with statutory and regulatory deadlines for all projects.

4 (b) Each electric-distribution company as defined by §39-1-2 having greater than one
5 hundred thousand (100,000) customers and each gas-distribution company included as a public
6 utility in §39-1-2 having greater than one hundred thousand (100,000) customers shall complete
7 the installation of new service or upgrade of service as follows:

8 (1) New service installations requiring no construction of electric or gas facilities or
9 construction of electric or gas facilities with a total cost of less than two thousand dollars (\$2,000)
10 shall be completed within three (3) business days after the utility has been notified that the service
11 location is ready for service and all necessary tariff and regulatory requirements have been met.

12 (2) Service upgrades or new service installations that require construction of electric or
13 gas facilities with a total of cost of two thousand dollars (\$2,000) or greater shall be completed
14 within fourteen (14) business days after the utility has been notified that the service location is
15 ready for service and all necessary tariff and regulatory requirements have been met. The division
16 may grant reasonable extensions to the utility for good cause shown.

17 (c) Each electric-distribution company as defined by §39-1-2 having greater than one
18 hundred thousand (100,000) customers and each gas-distribution company included as a public
19 utility in §39-1-2 having greater than one hundred thousand (100,000) customers shall take
20 measures necessary to keep sufficient records to report the following data to the division:

21 (1) The percent of telephone calls answered at each company's call center or business
22 office, or both, within thirty (30) seconds with a company representative ready to render
23 assistance and to accept information necessary to process the call. An acknowledgment that the
24 customer or applicant is waiting on the line does not constitute an answer.

25 (2) The number of calls to a company's call center or business office that received a busy
26 signal divided by the number of calls that were received for each call center, business office, or
27 both.

28 (3) The number of calls to a company's call center or business office that were abandoned
29 divided by the total number of calls received at the company's call center, business office, or both.

30 (4) The actual number of disputes for which the company did not provide a response to
31 the complaining party within fourteen (14) days of the initiation of the dispute.

32 (d) Beginning in 2018, each company set forth in section (b) of this section shall file a
33 report annually with the division on or before February 1. Each report shall contain all data set
34 forth in subsection (c) of this section, reported by month, as well as a twelve (12) month

1 cumulative average for the preceding calendar year. Each report shall contain an analysis and
2 comparison of the data reported under this chapter for the previous two (2) years. Each report
3 shall include the name and telephone number for the utility contact person responsible for the
4 report.

5 (e) The commission shall evaluate and address the customer service performance of any
6 company that requests a rate increase as part of the rate case review process. The commission
7 may require improved customer service, as well as proof of improvement, prior to approving any
8 rate increase.

9 (f) Any ratepayer who alleges that a utility has failed to provide prompt and adequate
10 customer service, has failed to promptly install service upgrades or new service, or has failed to
11 comply with any statutory or regulatory deadline may submit a formal or informal complaint with
12 the division. The division shall investigate and rule upon such complaints in an expedited manner
13 and shall provide status updates to the ratepayer or project manager as the investigation proceeds.

14 (g) The division shall have the authority to assess a penalty against any utility that fails or
15 neglects to provide prompt and adequate customer service, promptly install service upgrades or
16 new service, or to comply with any statutory or regulatory project deadline as determined by the
17 division.

18 (1) The penalty may include:

19 (i) Costs and reasonable attorney's fees for any ratepayers who filed complaints, to be
20 paid to the injured ratepayers;

21 (ii) Consequential damages sustained by any ratepayers who filed complaints, including,
22 but not limited to, lost profits due to unreasonable delays, to be paid to the injured ratepayers; and

23 (iii) A sum not to exceed ten thousand dollars (\$10,000), for each separate offense, which
24 shall be remitted to, or for the benefit of, all ratepayers in a manner to be determined by the
25 division.

26 (2) Any payment as a result of a penalty as provided in this section, and the cost of
27 litigation and investigation related to any such penalty, shall not be recoverable from ratepayers.

28 (3) The remedies provided by this section are in addition to any other remedies provided
29 in law.

30 (h) Any ratepayer that is overcharged for any service or assessment shall be given the
31 option of receiving either a bill credit or a full refund. Credits or refunds to the ratepayer shall be
32 within thirty (30) days following a final determination by the division.

33 SECTION 5. Chapter 39-3 of the General Laws entitled "Regulatory Powers of
34 Administration" is hereby amended by adding thereto the following sections:

1 **39-3-12.3. Incentive information required.**

2 (a) No utility regulated by the commission shall be allowed to file its rate schedules or
3 notice of changes in rates unless it shall also file a statement containing the following
4 information:

5 (1) A detailed summary of all incentive payments received by the company, including the
6 total earned under each incentive program, and

7 (2) A detailed summary of all actions taken by the company to earn such incentive
8 payments.

9 (b) Notwithstanding any other provision of the general laws, whether of specific or
10 general application, any incentive payments authorized by law and approved by the commission
11 shall be:

12 (1) Considered billed distribution revenue for the purpose of determining any revenue
13 decoupling mechanism adjustment factor authorized by law and approved by the commission;
14 and

15 (2) Considered billed distribution revenue in any future rate case.

16 **39-3-37.4. Itemized charges -- Electrical distribution company.**

17 (a) Every electrical distribution company which shall charge for the distribution of
18 electricity to any house, building, tenement or estate shall provide an itemized bill or statement
19 following any installation, construction, site visit, work associated with an interconnection
20 agreement, or any other service for which there is any fee assessed.

21 (b) The electrical distribution company shall provide a detailed written estimate prior to
22 performing any chargeable service, unless the total estimated cost for such service is less than one
23 hundred dollars (\$100).

24 (c) The bill, statement, or estimate shall include the following information:

25 (1) Total cost of installation, construction, site visit or other service;

26 (2) Number of hours worked and hourly rate of work performed;

27 (3) Itemized costs for supplies or materials, if any;

28 (4) Permit fees, if any;

29 (5) Relocation costs, if any;

30 (6) All other costs or fees related to installation, construction, site visit or other service.

31 SECTION 6. This act shall take effect upon passage.

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

1 This act would remove electric distribution companies from the business of electric
2 generation, promote alternative supplier and purchaser of receivables programs.

3 The act would also improve the efficiency and management of electric and gas
4 distribution systems, while promoting better customer service complaints' resolution.

5 This act would take effect upon passage.

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