

2017 -- S 0551

LC001742

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: Senators Ciccone, Lombardi, P Fogarty, McCaffrey, and DaPonte

Date Introduced: March 15, 2017

Referred To: Senate Commerce

(DPUC)

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 39-1-26 of the General Laws in Chapter 39-1 entitled "Public
2 Utilities Commission" is hereby amended to read as follows:

3 **39-1-26. Public utilities reserve fund created -- Appropriations -- Recovery of**
4 **expenses from utility companies.**

5 (a) There is hereby created a fund to be known as the public utilities reserve account, an
6 account within the public utilities commission in the general fund. Such account, hereinafter
7 referred to as the "fund", shall be used for the purpose of providing the financial means for the
8 commission and division to purchase materials, and to employ on a contract or other basis, legal
9 counsel, official stenographers, engineers, accountants, economists, and other expert witnesses,
10 and for other necessary expenses of the commission and division in investigations and hearings
11 related to applications and filings made by public utilities, or commission or division initiated
12 investigations into utility operating practices, or related appeals to state or federal courts or in
13 relevant regulatory matters before federal agencies. The general assembly shall annually
14 appropriate to the fund a sum equal to twenty-five one thousandths of one percent (.00025%) of
15 the gross annual operating revenues of gas, electric, and telephone companies attributable to their
16 conduct of intrastate operations in this state during the year next preceding; provided, however,
17 that if at June 30, in any year the balance in the fund shall be in excess of one hundred thousand
18 dollars (\$100,000), the amount of the excess shall forthwith be transferred to the general fund of
19 the state. Prebilled revenue shall be excluded from an excess balance to be transferred to the

1 general fund. The state controller is authorized and directed to draw his or her orders upon the
2 general treasurer for the payment from the fund of such sums as may be required from time to
3 time upon receipt by him or her of proper vouchers approved by the administrator.

4 (b) The public utility making an application or filing to the commission or division, or
5 subject to a commission or division initiated investigation, or any public utility distributing
6 electricity or gas whose retail rates would be affected by a proceeding ~~filing made by the~~
7 ~~administrator or a federally regulated electric or gas company~~ before an agency of the federal
8 government or a federal court, shall be charged with and shall pay a portion of the expenses
9 reasonably so incurred by the commission and by the division for the purchase of materials and
10 for the employment of legal counsel, official stenographers, engineers, accountants, and expert
11 witnesses, and for travel and other necessary expenses as are reasonably attributable to the
12 investigation or the hearing of the proposal by the commission and the division, or to the
13 administrator's representation of the state before ~~the~~ federal or state courts or an agency of the
14 federal government. The administrator or the commission chairperson as appropriate, shall
15 ascertain the expenses and shall determine the amount to be paid by the public utility company or
16 companies, and bills shall be rendered therefor either at the conclusion of the investigation or
17 hearing, or from time to time during its progress, and the amount of each bill so rendered shall be
18 paid by the public utility to the administrator or the commission, as appropriate, within thirty (30)
19 days from the date of its rendition unless, within the thirty (30) day time period, the public utility
20 so billed shall request an opportunity to be heard by the commission as to the amount thereof. The
21 commission shall comply with any such request. Any amount of the bill not paid within thirty
22 (30) days from the date of service of the determination upon the hearing, or, if none shall be
23 requested, within thirty (30) days from the date of rendition of the bill, shall draw interest at the
24 rate of twelve percent (12%) per annum. At the discretion of the administrator, or the commission
25 chairperson, as appropriate, utility companies may be prebilled for contractual services utilized by
26 the commission or division. Any revenue received from public utilities not expended upon the
27 completion of the case will be promptly reimbursed to the utility company. The total amount
28 which may be charged to any public utility under authority of this section for proceedings before
29 the commission or division or in related appeals before state or federal courts in any calendar year
30 shall not exceed ~~five hundred thousand dollars (\$500,000)~~ seven hundred and fifty thousand
31 dollars (\$750,000), provided that any indirect cost recovery obligations pursuant to § 35-4-27
32 shall constitute a separate and additional assessment to public utilities to be added to the
33 foregoing expense assessment limit; in addition, the total amount which may be charged against
34 any public utility under authority of this section for the administrator's representation of the state

1 before agencies of the federal government in any calendar year shall not exceed ~~five hundred~~
2 ~~thousand dollars (\$500,000)~~ two hundred and fifty thousand dollars (\$250,000). All moneys
3 collected by the administrator or the commission pursuant to this section shall be paid by him or
4 her monthly to the general treasurer to be added to the public utilities reserve fund.

5 (c) The division of public utilities shall adopt by regulation, a fee schedule for all
6 telecommunications filings, including initial applications and annual registrations, by
7 telecommunications providers which are not otherwise subject to the provisions of subsections (a)
8 or (b) of this section. The money assessed and paid shall be paid into the general fund and shall
9 not be a part of the public utilities reserve fund.

10 (d) The general assembly shall annually appropriate such sums as it may deem necessary
11 for the salaries of the commissioners and their expenses incurred in the performance of their
12 duties, and for the operations of the commission and the division and payment of such office
13 expenses and assistance as from time to time may be required. The state controller is authorized
14 and directed to draw his or her orders upon the general treasurer for the payment of such sum, or
15 so much thereof, as may be required from time to time upon receipt by him or her of vouchers
16 approved by the administrator or his or her authorized agent.

17 SECTION 2. 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 expand the use of the public utilities reserve fund to appeals to state courts
2 and in relevant regulatory matters before federal agencies and increase the amount chargeable to
3 any public utility to \$750,000 but not more than \$250,000 for the administrator's representation
4 of the state before agencies of the federal government.

5 This act would take effect upon passage.

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