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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- PUBLIC UTILITIES COMMISSION

Introduced By: Senators Euer, Murray, Goodwin, Crowley, and Quezada

Date Introduced: March 12, 2020

Referred To: Senate Commerce

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 Utilities
2 Commission" is hereby amended to read as follows:

3 **39-1-1. Declaration of policy -- Purposes.**

4 (a) The general assembly finds and 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 domestic,
7 industrial, and commercial use, offering to the public transportation of persons and property,
8 furnishing and servicing telephonic and wireless audio and visual communication systems, and
9 operation of community antenna television systems are affected with a public interest;

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

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

19 (b) It is hereby declared to be the policy of the state to provide fair regulation of public

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

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

16 (d) In accordance with the policy set forth in subsection (b) of this section, it is the duty of
17 the commission and the division of public utilities and carriers in the public interest and public
18 welfare to ensure the affordability and sustainability of adequate, efficient and economical energy,
19 communication, transportation services, and water supplies to low-income, elderly, disabled and
20 seriously ill Rhode Islanders. These important policy goals shall be considered by the commission
21 and the division in supervising, regulating, and making orders governing the conduct of companies
22 offering to the public intrastate commerce energy, communication, and transportation services and
23 water supplies.

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

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

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

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

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

32 (5) That in connection with the transition to a more competitive electric utility industry,
33 public utilities should have a reasonable opportunity to recover transitional costs associated with
34 commitments prudently incurred in the past pursuant to their legal obligations to provide reliable

1 electric service at reasonable costs;

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

6 (7) That in a restructured electrical industry the same protections currently afforded to low
7 income customers shall continue.

8 ~~(e)~~(f) The legislature further finds and declares as of 2006:

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

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

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

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

22 SECTION 2. 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

1 This act would establish the duty of the public utility commission and the division of public
2 utilities and carriers, in the public interest, to ensure affordability and sustainability of adequate,
3 efficient and economical energy, communication, transportation services, and water supplies to
4 low-income, elderly, disabled and seriously ill Rhode Islanders.

5 This act would take effect upon passage.

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