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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- DUTIES OF UTILITIES AND
CARRIERS

Introduced By: Senators Sosnowski, Murray, Zurier, Valverde, Kallman, DiMario, Gu,
Ciccone, Pearson, and Britto

Date Introduced: February 07, 2025

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 39-2 of the General Laws entitled "Duties of Utilities and Carriers"

2 is hereby amended by adding thereto the following section:

3 **39-2-1.5. Tiered percentage of income payment program.**

4 (a) Notwithstanding any other law to the contrary, no later than January 2, 2026, each
5 electric distribution company, as defined in § 39-1-2(a) or a gas distribution company included as
6 a public utility in § 39-1-2(a), that has greater than one hundred thousand (100,000) customers,
7 shall file with the public utilities commission a proposed percentage of income plan applicable to
8 residential customers whose household income is at or below one hundred fifty percent (150%) of
9 the federal poverty level. The public utilities commission shall be authorized to approve or amend
10 the filed plan.

11 (1) Each tier shall provide a discount designed to ensure that the eligible customer pay no
12 more than a fixed percent of the income level for that tier for their utility costs.

13 (2) The payment plan shall be designed to provide for a fixed monthly payment and
14 forgiveness of pre-participation arrearages over a twenty-four (24) month period.

15 (3) The fixed per bill discount shall be designed to approximate an average annual electric
16 expense of not more than three percent (3%) of the income of customers within the applicable tiered
17 class for customers who do not use electric as their primary source of heat, or six percent (6%) of
18 the income of customers within the applicable tiered class who use electric as their primary source

1 of heat.

2 (4) The fixed per bill discount shall be designed to approximate an average annual natural
3 gas expense of not more than three percent (3%) of the income of customers within the applicable
4 tiered class for eligible customers who use gas as their primary source of heat.

5 (5) To establish the discount tiers and customer eligibility, the commission may consider
6 targeted annual average expense for participants.

7 (6) Notwithstanding the foregoing, a maximum annual benefit and minimum monthly
8 payment shall be established by the commission with input from the electric distribution company,
9 the division of public utilities and carriers, and stakeholders.

10 (b) The cost of the discount, including administrative costs not funded through other
11 sources, shall be collected in rates from all other customers of the electric and gas distribution
12 companies in a manner determined just and reasonable by the commission.

13 (c) In reviewing the proposed payment plan under this section, the commission shall
14 balance the level of discounts with the administrative costs that would be incurred to implement
15 the payment plan.

16 (d) The commission shall render a decision on the proposed percentage of income plan no
17 later than January 15, 2027. The approved plan shall be included as part of the electric and gas
18 company's next general rate filing and future general rate filings.

19 (e) An electric or gas distribution company shall enroll an eligible customer in the
20 appropriate tier at such time as the electric or gas distribution company receives verification of
21 income level or in some other manner determined to be efficient and cost effective by the
22 commission.

23 (f) Customers enrolled in the tiered discount rate under this section shall be offered energy
24 efficiency programs as appropriate upon enrollment.

25 SECTION 2. 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 create an income-sensitive tiered subsidy program to ensure that home
2 energy utility costs are affordable for eligible low-income households. The cost of the discount,
3 including administrative costs not funded through other sources, would be collected in rates from
4 all other customers of the electric and gas distribution companies in a manner determined just and
5 reasonable by the public utilities commission.

6 This act would take effect upon passage.

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