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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- PUBLIC UTILITIES COMMISSION

Introduced By: Representatives Slater, and Diaz

Date Introduced: January 18, 2012

Referred To: House Corporations

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~~ therefore is nonpayment of the service without first notifying the user of the  
14 service, or the owner or owners of the building as recorded with the utility of the impending  
15 service termination by written notice at least ten (10) days prior to the effective date of the  
16 proposed termination of 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 section 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 section 39-1.1-3. In promulgating such rules  
10 and regulations, the commission shall confer with the Retail Electric Licensing Commission and  
11 shall give reasonable consideration to any and all recommendations of the Retail Electric  
12 Licensing Commission.

13 (d) 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 section 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 anticipated arrearage so forgiven and other costs of  
17 administering this program shall be ~~treated as bad debt for purposes of cost recovery by the gas or~~  
18 ~~the electric company~~ fully recovered by the gas or the electric distribution company for each year  
19 from all gas and electric customers through a fully reconciling funding mechanism to be  
20 submitted annually, no later than April 1 of each year, to the public utilities commission for  
21 review and approval.

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

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

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

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  
5 the conclusion of the period of the agreement; and

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 removed from the repayment program  
11 established by this subsection and the balance due on the unpaid balance, shall be due and  
12 payable in full, 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 unpaid balance shall be deemed  
16 to be fully satisfied. The amount of the arrearage, so forgiven, shall be treated as bad debt for  
17 purposes of cost recovery by the gas or the electric company.

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

23 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

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1           This act would amend the "Shelton Act" relating to the termination of electric and gas  
2 service by, providing a recovery of anticipated arrearages from all gas and electric customers  
3 through a reconciling funding mechanism to be submitted annually, no later than April 1 of each  
4 year, to the public utilities commission for review and approval.

5           The act would take effect upon passage.

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