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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS

Introduced By: Senators Miller, Sosnowski, Metts, Pichardo, and Goodwin

Date Introduced: February 11, 2015

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 39-1-27.12 of the General Laws in Chapter 39-1 entitled "Public
2 Utilities Commission" is hereby amended to read as follows:

3 **39-1-27.12. Low Income Home Energy Assistance Program Enhancement Plan. --**

4 (a) The Low Income Home Energy Assistance Program Enhancement Plan (hereinafter "LIHEAP
5 Enhancement Plan") is hereby created to supplement the federal Low Income Home Energy
6 Assistance Program ("LIHEAP") funding being received by customers of Rhode Island electric
7 and gas distribution companies.

8 (b) Within a period of time sufficient to accomplish the purposes of this section, but not
9 longer than ninety (90) days after the effective date of this chapter, the department of human
10 services shall develop a recommended monthly "LIHEAP Enhancement Charge" rate for the
11 following year and make a filing with the commission pursuant to this chapter recommending
12 rates. Thereafter annually but no later than October 15 of each year, the department shall make
13 filings with the commission to recommend the LIHEAP Enhancement Charge rates for each class
14 of electric and natural gas distribution company customer for the following year.

15 (c) A LIHEAP Enhancement Charge approved by the Commission shall have the
16 following limitations:

17 (1) For electric distribution company customers, the charge shall not be more than ten
18 dollars (\$10.00) per year.

19 (2) For natural gas distribution company customers, the charge shall not be more than ten

1 dollars (\$10.00) per year.

2 (3) The total projected annual revenue for the LIHEAP Enhancement Plan through
3 charges to all electric and natural gas distribution company customers shall not exceed seven
4 million five hundred thousand dollars (\$7,500,000) and shall not be below six million five
5 hundred thousand dollars (\$6,500,000).

6 (d) The commission shall open a docket to consider for approval LIHEAP Enhancement
7 Charge rates proposed by the department. In reviewing the recommended rates the commission
8 shall give due consideration to the recommendations of the department and the standards set forth
9 in subsection (c) of this section. The commission shall issue a decision within sixty (60) days
10 after said recommendations and report are filed with the commission establishing the
11 Enhancement Plan Charge rates.

12 (e) The electric or gas distribution company shall use the funds collected through this
13 Enhancement Plan Charge to provide a credit to customers accounts that are receiving federal
14 LIHEAP assistance payments. The department of human services shall designate to the gas or
15 electric distribution company the qualifying customer accounts and the amounts to be credited to
16 those customer accounts, provided that the total amount to be credited to those accounts shall be
17 fully funded by and not exceed the total amount collected through the Enhancement Plan Charge.
18 [The department of human services may authorize the credit of customers' accounts at any time](#)
19 [throughout the calendar year.](#) The electric or gas distribution company's added administrative
20 expenses to process the credit assignments provided to it by the department of human services
21 will be recoverable either from the LIHEAP Enhancement Charge or through a separate charge
22 approved by the Public Utilities Commission.

23 (f) As used in this section, "electric and natural gas distribution company" means a
24 company as defined in subsection 39-1-2(12), but not including the Block Island Power Company
25 or the Pascoag Utility District.

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

28 **39-2-1. Reasonable and adequate services -- Reasonable and just charges.** -- (a)
29 Every public utility is required to furnish safe, reasonable, and adequate services and facilities.
30 The rate, toll, or charge, or any joint rate made, exacted, demanded, or collected by any public
31 utility for the conveyance or transportation of any persons or property, including sewage, between
32 points within the state, or for any heat, light, water, or power produced, transmitted, distributed,
33 delivered, or furnished, or for any telephone or telegraph message conveyed or for any service
34 rendered or to be rendered in connection therewith, shall be reasonable and just, and every unjust

1 or unreasonable charge for the service is prohibited and declared unlawful, and no public utility
2 providing heat, light, water, or power produced, transmitted, distributed, delivered, or furnished
3 shall terminate the service or deprive any home or building, or whatsoever, of service if the
4 reason therefor is nonpayment of the service without first notifying the user of the service, or the
5 owner or owners of the building as recorded with the utility of the impending service termination
6 by written notice at least ten (10) days prior to the effective date of the proposed termination of
7 service.

8 (1) Effective immediately, following the issuance of a decision by the commission under
9 39-1-27.2(d), the utility shall collect a LIHEAP Enhancement Chargefunds from all utility
10 customers, for the funding of the LIHEAP Enhancement Fund.

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

17 (c) The commission shall promulgate such further rules and regulations as are necessary
18 to protect consumers following the introduction of competition in the electric industry and which
19 are consistent with this chapter and the provisions of § 39-1.1-3. In promulgating such rules and
20 regulations, the commission shall confer with the Retail Electric Licensing Commission and shall
21 give reasonable consideration to any and all recommendations of the Retail Electric Licensing
22 Commission.

23 (d) On or before May 1, 2007, the commission shall administer such rules and
24 regulations as may be necessary to implement the purpose of subdivision (1) of this section and to
25 provide for restoration of electric and/or gas service to very low income households as defined by
26 § 42-141-2. On or before August 15, 2011, the commission shall administer such rules and
27 regulations, as may be necessary, to implement the purpose of subdivision (2) of this section and
28 to provide for the restoration of electric and/or gas service to LIHEAP-eligible households,
29 defined as those with a combined gross income equal to or less than sixty percent (60%) of the
30 state median household income as calculated by the U.S. Bureau of Census and as adjusted for
31 family or group size by the U.S. Department of Health and Human Services regulation 45 CFR
32 Sec. 96.85 or its successor regulation.

33 (1) Effective July 1, 2007 until October 14, 2011, notwithstanding the provisions of part
34 V sections 4(E)(1)(B) and (C) of the public utilities commission rules and regulations governing

1 the termination of residential electric, gas, and water utility service, a very low income customer
2 who is terminated from gas and/or electric service or is recognized pursuant to a rule or decision
3 by the division as being scheduled for actual shut-off of service on a date specified, shall be
4 eligible one time to have electric and/or gas utility service restored providing the following
5 conditions are met:

6 (i) The customer pays twenty-five percent (25%) of the customer's unpaid balance;

7 (ii) The customer agrees to pay one thirty-sixth (1/36) of one half (1/2) of the customer's
8 remaining balance per month for thirty-six (36) months;

9 (iii) The customer agrees to remain current with payments for current usage. For
10 purposes of this subsection remaining current with payments shall mean that the customer: (a)
11 misses no more than a total of three (3) payments in the thirty-six (36) month period covered by
12 the agreement; (b) misses more than two (2) payments in any one calendar year, provided that
13 such missed payments in a calendar year are not consecutive and that payments for the year are
14 up-to-date by October 31st; and (c) that the amount due under that agreement is paid in full by the
15 conclusion of the period of the agreement;

16 (iv) The customer has shown, to the satisfaction of the division, that the customer is
17 reasonably capable of meeting the payment schedule provided for by the provisions of
18 subdivision 39-2-1(d)(1)(i) and (ii) in this section. The restoration of service provided for by this
19 subsection shall be a one-time right; failure to comply with the payment provisions set forth in
20 this subsection shall be grounds for the customer to be dropped from the repayment program
21 established by this subsection, and the balance due on the unpaid balance shall be due in full and
22 shall be payable in accordance with the rules of the commission governing the termination of
23 residential electric, gas, and water utility service. A customer who completes the schedule of
24 payments pursuant to this subsection, shall have the balance of any arrearage forgiven, and the
25 customer's obligation to the gas and/or electric company for such balance shall be deemed to be
26 fully satisfied. The amount of the arrearage so forgiven shall be treated as bad debt for purposes
27 of cost recovery by the gas or the electric company.

28 (2) Effective October 15, ~~2014~~ 2015, notwithstanding the provisions of part V sections
29 4(E)(1)(B) and (C) of the public utilities commission rules and regulations governing the
30 termination of residential electric, gas, and water utility service, a LIHEAP-eligible customer, as
31 defined above in this section, who has been terminated from gas and/or electric service or is
32 recognized, pursuant to a rule or decision by the division, as being scheduled for actual shut-off
33 of service on a specific date, shall not be deprived electric and/or gas utility service provided the
34 following conditions are met:

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

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

5 ~~(iii) The customer agrees to remain current with payments for current usage. For~~
6 ~~purposes of this subsection, remaining current with payments, shall mean that the customer: (A)~~
7 ~~Misses no more than a total of three (3) payments in the thirty-six (36) month period covered by~~
8 ~~the agreement; (B) Misses more than two (2) payments in any one calendar year, provided that~~
9 ~~such missed payments in a calendar year are not consecutive and that payments for the year are~~
10 ~~up to date by October 31st; and (C) That the amount due under that agreement is paid in full, by~~
11 ~~the conclusion of the period of the agreement; and~~

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

14 (ii) The account is enrolled in the utility low-income rate (A-60);

15 (iii) The customer agrees to participate in budget counseling and energy efficient
16 programs;

17 (iv) The customer applies for other available energy assistance programs, including fuel
18 assistance and weatherization;

19 (v) The customer agrees to make at least twelve (12) monthly payments in an amount
20 determined by the utility and based on the customer's average monthly bills and the customer's
21 actual or anticipated fuel assistance;

22 (vi) With each payment, a portion of the customer's outstanding account balance shall be
23 forgiven in an amount equal the total past-due balance divided by the number of months in the
24 customer agreement;

25 (vii) Up to one thousand five hundred dollars (\$1,500) shall be forgiven in a twelve (12)
26 month period. If the outstanding account balance is greater than one thousand five hundred
27 dollars (\$1,500), the length of the agreement may be extended for more than twelve (12) months
28 to accommodate the total outstanding balance;

29 (viii) The customer agrees to remain current with payments. For purposes of this
30 subsection, remaining current shall mean that the customer: (A) Misses no more than two (2)
31 payments in a twelve (12) month period covered by the agreement, provided that such missed
32 payments in a twelve (12) month period are not consecutive and that payments are up to date by
33 October 31; and (B) That the amount due under the agreement is paid in full, by the conclusion of
34 the period of the agreement; and

1 ~~(iv)~~(ix) The customer has shown, to the satisfaction of the division, that the customer is
2 reasonably capable of meeting the payment schedule, provided for by the provisions of
3 subdivision 39-2-1(d)(1)(i) and (ii) in this section. The restoration of service, provided for by this
4 subsection, shall be a one-time right; failure to comply with the payment provisions set forth in
5 this subsection shall be grounds for the customer to be removed from the repayment program
6 established by this subsection and the balance due on the unpaid balance, shall be due and
7 payable in full, in accordance with the rules of the commission governing the termination of
8 residential electric, gas, and water utility service, provided, that any arrearage forgiven under
9 paragraph (vi) of this subsection shall be credited toward the unpaid balance. A customer, who
10 completes the schedule of payments, pursuant to this subsection, shall have the balance of any
11 arrearage forgiven, and the customer's obligation to the gas and/or electric company for such
12 unpaid balance shall be deemed to be fully satisfied. The amount of the arrearage, so forgiven,
13 shall be treated as bad debt for purposes of cost recovery by the gas or the electric company.

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

19 (e) The commission shall complete a comprehensive review of all programs and policies
20 impacting protected classes and low-income ratepayers. In conducting its review, the commission
21 shall consult with the division, the attorney general, the utility, the department of human services,
22 the ratepayers advisory board established by § 39-1-37.1, and community action programs. The
23 commission shall submit a report of its findings and recommendations to the governor and the
24 general assembly no later than November 15, 2015. Going forward, the ratepayers advisory board
25 shall evaluate annually the customer arrearage program.

26 SECTION 3. 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 allow the department of human services to use low-income home energy
2 assistance funds throughout the calendar year, establishes an arrearage program and requires the
3 PUC to conduct a review of programs impacting low-income ratepayers.

4 This act would take effect upon passage.

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