

2012 -- S 2238

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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 - DUTIES OF UTILITIES AND
CARRIERS

Introduced By: Senator Joshua Miller

Date Introduced: January 26, 2012

Referred To: Senate 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 is nonpayment of the service without first notifying the user of the service, or the
14 owner or owners of the building as recorded with the utility of the impending service termination
15 by written notice at least ten (10) days prior to the effective date of the proposed termination of
16 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

1 customers, for the funding of the LIHEAP Enhancement Fund.

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

8 (c) The commission shall promulgate such further rules and regulations as are necessary
9 to protect consumers following the introduction of competition in the electric industry and which
10 are consistent with this chapter and the provisions of section 39-1.1-3. In promulgating such rules
11 and regulations, the commission shall confer with the Retail Electric Licensing Commission and
12 shall give reasonable consideration to any and all recommendations of the Retail Electric
13 Licensing Commission.

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

24 (1) Effective July 1, 2007 until October 14, 2011, notwithstanding the provisions of part
25 V sections 4(E)(1)(B) and (C) of the public utilities commission rules and regulations governing
26 the termination of residential electric, gas, and water utility service, a very low income customer
27 who is terminated from gas and/or electric service or is recognized pursuant to a rule or decision
28 by the division as being scheduled for actual shut-off of service on a date specified, shall be
29 eligible one time to have electric and/or gas utility service restored providing the following
30 conditions are met:

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

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

34 (iii) The customer agrees to remain current with payments for current usage. For

1 purposes of this subsection remaining current with payments shall mean that the customer: (a)
2 misses no more than a total of three (3) payments in the thirty-six (36) month period covered by
3 the agreement; (b) misses more than two (2) payments in any one calendar year, provided that
4 such missed payments in a calendar year are not consecutive and that payments for the year are
5 up-to-date by October 31st; and (c) that the amount due under that agreement is paid in full by the
6 conclusion of the period of the agreement;

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

19 (2) Effective October 15, 2011, notwithstanding the provisions of part V sections
20 4(E)(1)(B) and (C) of the public utilities commission rules and regulations governing the
21 termination of residential electric, gas, and water utility service, a LIHEAP-eligible customer, as
22 defined above in this section, who has been terminated from gas and/or electric service or is
23 recognized, pursuant to a rule or decision by the division, as being scheduled for actual shut-off
24 of service on a specific date, shall not be deprived electric and/or gas utility service provided the
25 following conditions are met:

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

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

30 (iii) The customer agrees to remain current with payments for current usage. For
31 purposes of this subsection, remaining current with payments, shall mean that the customer: (A)
32 Misses no more than a total of three (3) payments in the thirty-six (36) month period covered by
33 the agreement; (B) Misses more than two (2) payments in any one calendar year, provided that
34 such missed payments in a calendar year are not consecutive and that payments for the year are

1 up-to date by October 31st; and (C) That the amount due under that agreement is paid in full, by
2 the conclusion of the period of the agreement; and

3 (iv) The customer has shown, to the satisfaction of the division, that the customer is
4 reasonably capable of meeting the payment schedule, provided for by the provisions of
5 subdivision 39-2-1(d)(1)(i) and (ii) in this section. The restoration of service, provided for by this
6 subsection, shall be a one-time right; failure to comply with the payment provisions set forth in
7 this subsection shall be grounds for the customer to be removed from the repayment program
8 established by this subsection and the balance due on the unpaid balance, shall be due and
9 payable in full, in accordance with the rules of the commission governing the termination of
10 residential electric, gas, and water utility service. A customer, who completes the schedule of
11 payments, pursuant to this subsection, shall have the balance of any arrearage forgiven, and the
12 customer's obligation to the gas and/or electric company for such unpaid balance shall be deemed
13 to be fully satisfied. The amount of the anticipated arrearage, so forgiven, and other costs of
14 administering this program shall be ~~treated as bad debt for purposes of cost recovery by the gas or~~
15 ~~the electric company~~ fully recovered by the gas or electric distribution company for each year
16 from all gas and electric customers through a fully reconciling funding mechanism to be
17 submitted annually, no later than April 1st of each year, to the public utilities commission for
18 review and approval.

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

24 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 allow any anticipated arrearage and costs of administering the repayment
2 program to be recovered from all gas and electric customers through a funding mechanism which
3 would be submitted annually by April 1st of each year to the Public Utilities Commission for
4 review and approval.

5 This act would take effect upon passage.

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