

2015 -- H 5294

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS

Introduced By: Representative James N. McLaughlin

Date Introduced: February 04, 2015

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

1           (2) All rate increases for Verizon telephone service shall be limited to five percent (5%)  
2 annually.

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

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

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

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

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

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

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

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

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

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

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

31 (iii) The customer agrees to remain current with payments for current usage. For  
32 purposes of this subsection, remaining current with payments, shall mean that the customer: (A)  
33 Misses no more than a total of three (3) payments in the thirty-six (36) month period covered by  
34 the agreement; (B) Misses more than two (2) payments in any one calendar year, provided that

1 such missed payments in a calendar year are not consecutive and that payments for the year are  
2 up-to date by October 31st; and (C) That the amount due under that agreement is paid in full, by  
3 the conclusion of the period of the agreement; and

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

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

21 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

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1           This act would limit any rate increases for Verizon telephone service to five percent (5%)  
2 annually.

3           This act would take effect upon passage.

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