

2016 -- S 3034

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

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

Introduced By: Senator Harold M. Metts

Date Introduced: May 19, 2016

Referred To: Senate Commerce

(Department of Human Services)

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 § 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 § 39-1.1-3. In promulgating such rules and
11 regulations, the commission shall confer with the Retail Electric Licensing Commission and shall
12 give reasonable consideration to any and all recommendations of the Retail Electric Licensing
13 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 § 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 [low income home energy assistance](#)
20 [program \(LIHEAP\)](#) ~~LIHEAP~~-eligible households, ~~defined as those with a combined gross income~~
21 ~~equal to or less than sixty percent (60%) of the state median household income as calculated by~~
22 ~~the U.S. Bureau of Census and as adjusted for family or group size by the U.S. Department of~~
23 ~~Health and Human Services regulation 45 CFR Sec. 96.85 or its successor regulation~~ [as this](#)
24 [eligibility is defined in the current LIHEAP State Plan for Rhode Island filed with the U.S.](#)
25 [Department of Health and Human Services.](#)

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

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

34 (ii) The customer agrees to pay one thirty-sixth (1/36) of one half (1/2) of the customer's

1 remaining balance per month for thirty-six (36) months;

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

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

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

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

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

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

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

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

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

22 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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CARRIERS

1 This act would define the group eligible for restoration of electric and/or gas service
2 consistently with the current LIHEAP State Plan for Rhode Island filed with the U.S. Department
3 of Health and Human Services.

4 This act would take effect upon passage.

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