

2013 -- S 0836 SUBSTITUTE A AS AMENDED

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LC02291/SUB A/2
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - MUNICIPAL STREETLIGHT
INVESTMENT ACT

Introduced By: Senators Sheehan, Sosnowski, Cote, Lombardo, and Ciccone

Date Introduced: April 04, 2013

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 39 of the General Laws entitled "PUBLIC UTILITIES AND
2 CARRIERS" is hereby amended by adding thereto the following chapter:

3 CHAPTER 30

4 MUNICIPAL STREETLIGHT INVESTMENT ACT

5 **39-30-1. Findings and purposes** – (a) The Rhode Island general assembly finds and
6 declares that:

7 (1) Taxpayers are mandated to pay the electric distribution company large sums every
8 year to light municipal and many state-owned streets;

9 (2) Municipalities are limited in how they can manage this public safety resource because
10 they do not own or control the light fixtures within their borders;

11 (3) There is no incentive in the applicable electric rate tariff for installing energy efficient
12 lighting technologies that may reduce both power and maintenance expenses;

13 (4) There is no provision in the applicable electric rate tariff for municipalities to work
14 collectively to manage the maintenance of the street lighting system; and

15 (5) Municipalities around the country have saved considerable resources by purchasing
16 their streetlight systems from electric distribution companies and contracting for the maintenance
17 independently.

18 (b) Now, therefore, the purpose of this chapter is to reduce municipal street lighting costs

1 and improve service to citizens by:

2 (1) Improving public safety with street lights that provide better illumination;

3 (2) Reducing maintenance costs by allowing municipalities to own the street and area
4 lighting within their borders and to enter into regional maintenance service contracts;

5 (3) Reducing whole-system cost through municipal ownership and regional management
6 and by eliminating the current "facilities charge;"

7 (4) Providing innovative and proven technologies for more efficient lighting; and

8 (5) Providing more responsive service for lighting repairs.

9 **39-30-2. Definitions.** -- When used in this chapter, the following terms shall have the
10 following meanings:

11 (1) "Office" means the Office of Energy Resources.

12 (2) "Electric distribution company" means a company defined in subdivision 39-1-2(12),
13 supplying standard offer service, last resort service, or any successor service to end-use
14 customers.

15 (3) "Lighting equipment" means all equipment used to light streets in the municipality,
16 the operation and maintenance of which is currently charged to the municipality, including
17 lighting ballasts, fixtures, and other equipment necessary for the conversion of electric energy
18 into street lighting service, but excluding the utility poles upon which the lighting equipment is
19 fixed. Lighting equipment shall include, but not be limited to, decorative street and area lighting
20 equipment and solid-state (LED) lighting technologies.

21 **39-30-3. Streetlight investment.** -- (a) Any city or town receiving street lighting service
22 from an electric distribution company pursuant to an electric rate tariff providing for the use by
23 such municipality of lighting equipment owned by the electric distribution company, at its option,
24 upon sixty (60) days notice to the electric company and to the department, and subject to the
25 provisions of subsections (b) through (e), may:

26 (1) Convert its street lighting service from the subject tariff rate to an alternative tariff
27 rate providing for delivery service by the electric distribution company of electric energy,
28 whether or not supplied by the electric distribution company, over distribution facilities and wires
29 owned by the electric distribution company to lighting equipment owned or leased by the
30 municipality, and further providing for the use by such municipality of the space on any pole,
31 lamp post, or other mounting surface previously used by the electric distribution company for the
32 mounting of the lighting equipment. The alternative tariff rate shall provide for monthly bills for
33 street and area lighting that shall include a schedule of energy charges based on a determination
34 annual kilowatt-hour usage per lumen rating or nominal wattage of all types of lighting

1 equipment, but shall not include facility, support, maintenance, or accessory charges. The new
2 tariff shall use existing usage calculation methods and existing rates for any currently existing
3 lighting equipment, only setting reasonable new rates for newly adopted lighting equipment. The
4 new tariff shall be structured so as to allow options for various street lighting controls, including
5 both conventional dusk/dawn operation using photocell or scheduling controls, as well as
6 schedule-based dimming or on/off controls that dim or turn off street lights during periods of low
7 activity. The electric distribution company, in consultation with the office, shall file the new tariff
8 with the public utilities commission within sixty (60) days of the effective date of this chapter and
9 the commission shall then issue a decision within sixty (60) days after the filing to effectuate the
10 purposes and provisions of this chapter.

11 (2) Purchase electric energy for use in such municipal lighting equipment from the
12 electric distribution company or any other person allowed by law to provide electric energy; and

13 (3) After due diligence, including an analysis of the cost impact to the municipality,
14 acquire all of the public street and area lighting equipment of the electric distribution company in
15 the municipality, compensating the electric distribution company as necessary, in accordance
16 with subsection (b).

17 (b) Any municipality exercising the option to convert its lighting equipment pursuant to
18 subsection (a) must compensate the electric distribution company for the original cost, less
19 depreciation and less amortization, of any active or inactive existing public lighting equipment
20 owned by the electric distribution company and installed in the municipality as of the date the
21 municipality exercises its right of acquisition pursuant to subsection (a), net of any salvage value.
22 Upon such payment, the municipality shall have the right to use, alter, remove, or replace such
23 acquired lighting equipment in any way the municipality deems appropriate. Any contract a
24 municipality enters for such services must require appropriate levels of training and certification
25 of personnel providing pole service for public and worker safety, evidence of twenty-four (24)
26 hour call capacity and a committed timely response schedule for both emergency and routine
27 outages. The municipality may also request that the electric company remove any part of such
28 lighting equipment that it does not acquire from the electric distribution company in which case
29 the municipality shall reimburse the electric distribution company the cost of removal by the
30 electric distribution company, along with the original cost, less depreciation, of the removed part,
31 net of any salvage value.

32 (c) When a municipality exercises its option pursuant to this subsection, the municipality
33 will notify the electric distribution company of any alterations to street and area lighting
34 inventory within sixty (60) days of the alteration. The electric distribution company will then

1 adjust its monthly billing determinations to reflect the alteration within sixty (60) days.

2 (d) When a municipality exercises its option pursuant to subsection (a), anyone other than
3 the electric distribution company controlling the right to use space on any pole, lamp post, or
4 other mounting surface previously used by the electric distribution company in such municipality
5 shall allow the municipality to assume the rights and obligations of the electric distribution
6 company with respect to such space for the unexpired term of any lease, easement, or other
7 agreement under which the electric distribution company used such space; provided, however,
8 that:

9 (i) The municipality is subject to the same terms and conditions that pole owners make to
10 others that attach to the poles; and

11 (ii) In the assumption of the rights and obligations of the electric distribution company by
12 such a municipality, such municipality shall in no way or form restrict, impede, or prohibit
13 universal access for the provision of electric and other services.

14 (e) Any dispute regarding the terms of the alternative tariff, the compensation to be paid
15 the electric distribution company, or any other matter arising in connection with the exercise of
16 the option provided in subsection (a), including, but not limited to, the terms on which space is to
17 be provided to the municipality in accordance with subsection (c), shall be resolved by the
18 division of public utilities and carriers within ninety (90) days of any request for such resolution
19 by the municipality or any person involved in such dispute.

20 (f) Notwithstanding any general or special law, rule, or regulation to the contrary, any
21 affiliate of any electric distribution company whose street lighting service is converted by any
22 municipality in accordance with the provisions of this section may solicit and compete for the
23 business of any such municipality for the provision of lighting equipment or any other service
24 such as equipment maintenance in connection therewith.

25 **39-30-4. Liberal construction.** -- The provisions of this chapter shall be liberally
26 construed to give effect to the purposes thereof.

27 **39-30-5. Severability.** -- If any provision of this chapter or the application thereof to any
28 person or circumstances is held invalid, such invalidity shall not affect other provisions or
29 applications of the chapter, which can be given effect without the invalid provision or application,
30 and to this end the provisions of this chapter are declared to be severable.

31 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 - MUNICIPAL STREETLIGHT
INVESTMENT ACT

- 1 This act would establish a procedure to allow municipalities to purchase, rather than rent,
- 2 their street lights for the purpose of reducing municipal street lighting costs.
- 3 This act would take effect upon passage.

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