STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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

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

Date Introduced: January 21, 2016

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

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


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

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

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

(1) For electric distribution company customers, the charge shall not be more than ten dollars ($10.00) per year.
(2) For natural gas distribution company customers, the charge shall not be more than ten dollars ($10.00) per year.

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

A minimum of five percent (5%) shall be allocated to provide assistance to customers who are seeking LIHEAP certification for the sole purpose of entering into an arrearage plan as defined in §39-2-1(d)(2) between April 15 and September 30 of each year. Such customers must be a homeless family or individual who is transitioning from a shelter into housing and provide documentation acceptable to the department of human services. Any funds remaining at the end of the fiscal year shall be available for the upcoming winter season.

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

(e) The electric or gas distribution company shall use the funds collected through this Enhancement Plan Charge to provide a credit to customers accounts that are receiving federal LIHEAP assistance payments in a manner determined by the department of human services. The department of human services shall designate to the gas or electric distribution company the qualifying customer accounts and the amounts to be credited to those customer accounts, provided that the total amount to be credited to those accounts shall be fully funded by and not exceed the total amount collected through the Enhancement Plan Charge. The electric or gas distribution company's added administrative expenses to process the credit assignments provided to it by the department of human services will be recoverable either from the LIHEAP Enhancement Charge or through a separate charge approved by the Public Utilities Commission.

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

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

39-2-1. Reasonable and adequate services -- Reasonable and just charges. -- (a)
Every public utility is required to furnish safe, reasonable, and adequate services and facilities. The rate, toll, or charge, or any joint rate made, exacted, demanded, or collected by any public utility for the conveyance or transportation of any persons or property, including sewage, between points within the state, or for any heat, light, water, or power produced, transmitted, distributed, delivered, or furnished, or for any telephone or telegraph message conveyed or for any service rendered or to be rendered in connection therewith, shall be reasonable and just, and every unjust or unreasonable charge for the service is prohibited and declared unlawful, and no public utility providing heat, light, water, or power produced, transmitted, distributed, delivered, or furnished shall terminate the service or deprive any home or building, or whatsoever, of service if the reason therefor is nonpayment of the service without first notifying the user of the service, or the owner or owners of the building as recorded with the utility of the impending service termination by written notice at least ten (10) days prior to the effective date of the proposed termination of service.

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

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

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

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

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

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

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

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

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

(2) Effective October 15, 2011 no later than September 1, 2016, notwithstanding the
provisions of part V sections 4(E)(1)(B) and (C) of the public utilities commission rules and
regulations governing the termination of residential electric, gas, and water utility service, a
LIHEAP-eligible customer, as defined above in this section, who has been terminated from gas
and/or electric service or is recognized, pursuant to a rule or decision by the division, as being
scheduled for actual shut-off of service on a specific date, shall not be deprived electric and/or
gas utility service provided the following conditions are met:

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

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

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

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

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

(ii) The customer is eligible for the federal low-income home energy assistance program
and the account is enrolled in the utility low-income rate if offered;

(iii) If utility service has been terminated the customer shall make an initial payment of
twenty-five percent (25%) of the unpaid balance, unless the commission has enacted emergency
regulations in which case the customer shall pay the down payment required by the emergency
regulations;

(iv) The customer agrees to participate in energy efficiency programs;

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

(vi) The customer agrees to make at least twelve (12) monthly payments in an amount
determined by the utility and based on the customer's average monthly usage of the previous year,
and the customer's actual or anticipated fuel assistance, if known. The electric and/or gas utility
company shall review the payment plan every three (3) months and may adjust said plan based on
the following: the amount of or change in fuel assistance; the customer moves, actual usage
differs from estimated usage; and/or significant changes in the company's energy costs or rates
from the time of anticipated enrollment;

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

(viii) Up to one thousand five hundred dollars ($1,500) shall be forgiven in a twelve (12)
month period. If the outstanding account balance is greater than one thousand five hundred
dollars ($1,500), the length of the agreement may, at the request of the customer, be extended for
more than twelve (12) months to accommodate the total outstanding balance, provided that the
customer is current with payments at the conclusion of the previous twelve (12) month period;

(ix) The customer agrees to remain current with payments. For purposes of this
subsection, remaining current shall mean that the customer: (A) Misses no more than two (2)
payments in a twelve (12) month period covered by the agreement; and (B) That the amount due
under the agreement is paid in full, by the conclusion of the twelve (12) month period of the
agreement;

(x) Failure to comply with the payment provisions set forth in this subsection shall be
grounds for the customer to be removed from the repayment program established by this
subsection and the balance due on the unpaid balance, shall be due and payable in full, in
accordance with the rules of the commission governing the termination of residential electric, gas,
and water utility service, provided, that any arrearage already forgiven under subsection (d)(2)(ii)
of this section shall remain forgiven and be written off by the utility. The amount of the arrearage,
so forgiven, shall be recovered by the electric and/or gas company through an annual reconciling
factor approved by the commission;
(xi) The commission may promulgate rules and regulations to implement this section that ensures efficient administration of the program in a non-discriminatory manner consistent with the goal of providing assistance to customers who are willing and able to meet their obligations to the utility under this program:

(xii) Each public utility that provides gas or electric service to residential ratepayers shall file tariffs implementing the requirements of this section on a date to be determined by the commission which shall allow for the program to be in place no later than October 1, 2016; and

(xiii) After two (2) years from the date of completion of the plan or removal from the plan for failure to remain current with payments and upon recommendation from a community action partnership agency, a customer shall be eligible to enroll in a subsequent arrearage forgiveness plan.

(xiv) A customer, who completes the schedule of payments, pursuant to this subsection, shall have the balance of any arrearage forgiven, and the customer's obligation to the gas and/or electric company for such unpaid balance shall be deemed to be fully satisfied. The amount of the arrearage, so forgiven, shall be treated as bad debt for purposes of cost recovery by the gas or the electric company up to the amount allowed in the gas and/or electric company's most recent general rate filing. In the event the gas or electric company's bad debt for a calendar year exceeds the amount allowed in the most recent general rate filing for the same period, the gas or electric company shall be entitled to recovery of those write-offs that were the result of the arrearage forgiveness plan set forth in this section.

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

(e) The commission shall complete a comprehensive review of all utility and energy related programs and policies impacting protected classes and low-income ratepayers. In conducting its review, the commission shall consult with the division, the attorney general, the utility, the department of human services, the ratepayers advisory board established by §39-1-37.1, community based organizations, a homeless advisory group, and community action agencies, each of whom shall cooperate with meetings scheduled by the commission and any requests for information received by the commission by providing responses within twenty-one (21) days from issuance. The commission shall submit a report of its findings and recommendations to the governor and the general assembly no later than November 1, 2018. No
later than November 15, 2017, and annually thereafter, the commission shall submit to the

governor, the senate president and the speaker of the house a report on the effectiveness of the
customer arrearage program which shall include a cost benefit analysis and recommendations to

improve effectiveness of the arrearage program.

SECTION 3. This act shall take effect upon passage.
This act would authorize the department of human services to use low-income energy assistance funds throughout the calendar year, establish an arrearage program and require the PUC to conduct a review of programs impacting low-income ratepayers.

This act would take effect upon passage.