

**2012 -- H 7232 SUBSTITUTE A**

=====  
LC00858/SUB A  
=====

**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2012**

—————  
A N A C T

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

Introduced By: Representative Scott Slater

Date Introduced: January 25, 2012

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

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 no 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 no 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 arrearage, so forgiven, shall be ~~treated as bad debt for~~  
14 ~~purposes of cost recovery by the gas or the electric company~~ fully recovered by the gas or electric  
15 distribution company for each year from all gas and electric customers through a fully reconciling  
16 funding mechanism to be submitted annually to the public utilities commission for review and  
17 approval.

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

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

=====  
LC00858/SUB A  
=====

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

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

\*\*\*

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 to the Public Utilities Commission for review and approval.

4           This act would take effect upon passage.

=====  
LC00858/SUB A  
=====