

2012 -- S 2434

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO PUBLIC UTILITIES - LOW INCOME ENERGY ASSISTANCE

Introduced By: Senator Michael J. McCaffrey

Date Introduced: February 16, 2012

Referred To: Senate Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 39-1-27.12 of the General Laws in Chapter 39-1 entitled "Public
2 Utilities Commission" is hereby repealed.

3 ~~**39-1-27.12. Low Income Home Energy Assistance Program Enhancement Plan.**~~

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

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

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

17 ~~(1) For electric distribution company customers, the charge shall not be more than ten~~
18 ~~dollars (\$10.00) per year.~~

19 ~~(2) For natural gas distribution company customers, the charge shall not be more than ten~~

1 dollars (\$10.00) per year.

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

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

12 ~~(e) The electric or gas distribution company shall use the funds collected through this~~
13 ~~Enhancement Plan Charge to provide a credit to customers accounts that are receiving federal~~
14 ~~LIHEAP assistance payments. The office of energy resources shall designate to the gas or electric~~
15 ~~distribution company the qualifying customer accounts and the amounts to be credited to those~~
16 ~~customer accounts, provided that the total amount to be credited to those accounts shall be fully~~
17 ~~funded by and not exceed the total amount collected through the Enhancement Plan Charge. The~~
18 ~~electric or gas distribution company's added administrative expenses to process the credit~~
19 ~~assignments provided to it by the office of energy resources will be recoverable either from the~~
20 ~~LIHEAP Enhancement Charge or through a separate charge approved by the Public Utilities~~
21 ~~Commission.~~

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

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

27 **39-2-1. Reasonable and adequate services -- Reasonable and just charges. --** (a)
28 Every public utility is required to furnish safe, reasonable, and adequate services and facilities.
29 The rate, toll, or charge, or any joint rate made, exacted, demanded, or collected by any public
30 utility for the conveyance or transportation of any persons or property, including sewage, between
31 points within the state, or for any heat, light, water, or power produced, transmitted, distributed,
32 delivered, or furnished, or for any telephone or telegraph message conveyed or for any service
33 rendered or to be rendered in connection therewith, shall be reasonable and just, and every unjust
34 or unreasonable charge for the service is prohibited and declared unlawful, and no public utility

1 providing heat, light, water, or power produced, transmitted, distributed, delivered, or furnished
2 shall terminate the service or deprive any home or building, or whatsoever, of service if the
3 reason therefor is nonpayment of the service without first notifying the user of the service, or the
4 owner or owners of the building as recorded with the utility of the impending service termination
5 by written notice at least ten (10) days prior to the effective date of the proposed termination of
6 service.

7 ~~(1) Effective immediately, following the issuance of a decision by the commission under
8 39-1-27.2(d), the utility shall collect a LIHEAP Enhancement Chargefunds from all utility
9 customers, for the funding of the LIHEAP Enhancement Fund.~~

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

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

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

32 (1) Effective July 1, 2007 until October 14, 2011, notwithstanding the provisions of part
33 V sections 4(E)(1)(B) and (C) of the public utilities commission rules and regulations governing
34 the termination of residential electric, gas, and water utility service, a very low income customer

1 who is terminated from gas and/or electric service or is recognized pursuant to a rule or decision
2 by the division as being scheduled for actual shut-off of service on a date specified, shall be
3 eligible one time to have electric and/or gas utility service restored providing the following
4 conditions are met:

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

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

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

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

27 (2) Effective October 15, 2011, notwithstanding the provisions of part V sections
28 4(E)(1)(B) and (C) of the public utilities commission rules and regulations governing the
29 termination of residential electric, gas, and water utility service, a LIHEAP-eligible customer, as
30 defined above in this section, who has been terminated from gas and/or electric service or is
31 recognized, pursuant to a rule or decision by the division, as being scheduled for actual shut-off
32 of service on a specific date, shall not be deprived electric and/or gas utility service provided the
33 following conditions are met:

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

1 balance; and

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

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

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

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

28 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO PUBLIC UTILITIES - LOW INCOME ENERGY ASSISTANCE

- 1 This act would repeal the requirement that utility customers contribute to a fund to pay
- 2 utility bills for those whose bills are unpaid.
- 3 This act would take effect upon passage.

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