

2014 -- H 7878

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LC004972  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - REGULATORY POWERS OF  
ADMINISTRATION

Introduced By: Representatives Marshall, Ackerman, Amore, O'Brien, and Almeida

Date Introduced: March 06, 2014

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 39-3-11 of the General Laws in Chapter 39-3 entitled "Regulatory  
2 Powers of Administration" is hereby amended to read as follows:  
3           **39-3-11. Notice of change in rates -- Suspension of change -- Hearings. --** (a) No  
4 change shall be made in the rates, tolls, and charges which have been filed and published by any  
5 public utility in compliance with the requirements of section 39-3-10, except after thirty (30) days  
6 notice to the commission and to the public published as provided in section 39-3-10, which shall  
7 plainly state the changes proposed to be made in the schedule then in force, and the time when the  
8 changed rates, tolls, or charges will go into effect. A public utility company shall not be allowed  
9 to increase its rates annually by more than five percent (5%). Any existing increase over five  
10 percent (5%) shall be decreased annually by one percent (1%) until the increase rate is set at five  
11 percent (5%) annually. In the event that the utility company wants to increase the rate by more  
12 than the rate set yearly, they must seek a waiver before the public utility commission and it must  
13 be approved prior to the additional increase being implemented. Whenever the commission  
14 receives notice of any change or changes proposed to be made in any schedule filed under the  
15 provisions of section 39-3-10, the commission shall hold a public hearing and make investigation  
16 as to the propriety of the proposed change or changes. After notice of any investigation, the  
17 commission shall have power, by any order served upon the public utility affected, to suspend the  
18 taking effect of the change or changes pending the decision thereof, but not for a longer period

1 than eight (8) months beyond the time when the change or changes would otherwise take effect.  
2 Each hearing and investigation shall be conducted as expeditiously as may be practicable, and  
3 with a minimum of delay. Within ninety (90) days after the completion of any hearing, the  
4 commission shall make such order in reference to any proposed rate, toll, or charge as may be  
5 proper. Notwithstanding the provisions of this section, the commission shall periodically hold a  
6 public hearing and make investigation as to the propriety of rates when charged by any public  
7 utility and shall make such order in reference to the rate, toll, or charge as may be just. The  
8 hearing prescribed by this section may be held simultaneously with the hearing prescribed by  
9 section 39-3-7. In the event of an appeal from an order of the commission in any hearing under  
10 this section, the order shall remain in full force and effect during the pendency of said appeal.

11 (b) Upon receipt from a common carrier of persons and/or property upon water of a  
12 notice of any change proposed to be made in any schedule filed pursuant to section 39-3-10, the  
13 commission shall give notice as it may prescribe of the pendency of the proposal and of the time  
14 and place of the hearing thereon to the mayor and also any city manager of each city, and to the  
15 president of the town council and also any town manager of each town in which the carrier picks  
16 up or discharges passengers. The commission shall also publish a notice of the hearing at least ten  
17 (10) days prior to the date thereof in a newspaper of general circulation in each city or town in  
18 which the carrier picks up or discharges passengers. In all other respects, hearings and  
19 investigations with respect to the proposals by the carriers shall be governed by the provisions of  
20 subsection (a) of this section.

21 (c) The Kent County water authority shall provide notice by certified mail of rate  
22 increase requests to the several fire districts which purchase water from the authority.

23 (d) Costs incurred by electric distribution companies for filing rates, tolls and charges,  
24 for participating in hearings and investigations prior to December 31, 2000 or for appealing  
25 commission decisions rendered prior to December 31, 2000 pursuant to this section shall not be  
26 included in the rates, tolls or charges established by the commission pursuant to this section.

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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1           This act would require that any increase in rates for a public utility company be no more  
2 than five percent (5%) annually. Any preexisting increase over the five percent (5%) shall be  
3 decreased by one percent (1%) per year until a five percent (5%) rate is reached. Any deviation in  
4 rates needs to be approved by the public utility commission.

5           This act would take effect upon passage.

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