

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: REGULATIONS GOVERNING :
TERMINATION OF RESIDENTIAL : DOCKET NO. 1725
ELECTRIC, GAS AND WATER :
UTILITY SERVICE :

REPORT

This matter came before the Rhode Island Public Utilities Commission (PUC) on a request from the George Wiley Center (Wiley Center) to promulgate an emergency amendment to the PUC's Rules and Regulations Governing the Termination of Residential Electric, Gas and Water Utility Service (Termination Rules). In its October 13, 2015 letter, the Wiley Center proposed that the PUC provide for one payment plan for customers to either restore service or avoid disconnection upon making a down payment of 10% of the arrearage and agreeing to repay the remaining balance over 36 months. The Wiley Center urged the PUC to remove any conditions on enrollment in any modified payment plans such as those that had been imposed in prior years. The Wiley Center opined that allowing all customers, regardless of balance, to retain or reinstate service with only 10% down, would make more Low Income Home Energy Program (LIHEAP) funds available to assist customers.

The PUC provided a copy of the request to the service list to accept comments on the Wiley Center proposal and, alternatively, on whether the PUC should consider promulgating emergency rules similar to those promulgated in past years. The previously promulgated emergency rules allowed for a tiered down payment and repayment schedule based on a customer's balance. The previously promulgated emergency rules also contained conditions on participation, specifically limiting participation to those customers who either had not previously participated or who had participated but

currently have a balance equal to or less than that upon enrollment in the prior year. In 2013, for the first time, the PUC allowed a customer to pay an additional down payment to bring his or her balance to the level equal to or less than the prior year's starting balance. The purpose was to preserve LIHEAP funds.

The PUC received comments from several members of the public, various agencies, Senate President Paiva Weed and House Speaker Mattielo, the Division of Public Utilities and Carriers (Division), and The Narragansett Electric Company d/b/a National Grid (National Grid). Many members of the public supported the Wiley Center proposal while the Division and National Grid supported the previously promulgated emergency rules. General Assembly leadership urged the PUC to modify the termination rules to assist low income customers in anticipation of the upcoming winter conditions. They also recognized the PUC's commitment to balancing the needs of all ratepayers.

The Division, by and through Attorney General Kilmartin, supported continuation of the tiered payment plans as reasonable in that they ensure that lower balances will be paid over shorter periods of time. The Division also supported the conditions of enrollment because they protect against balances growing from year to year. Therefore, the Division indicated that "[t]he rules as applied in years past are reasonable and just." National Grid believed that regulations similar to the emergency regulations promulgated in 2014 are in the best interests of customers who are experiencing difficulty with utility balances.

At an Open Meeting conducted on October 30, 2015, after consideration and deliberation, the PUC found there exists an imminent peril to public health, safety, and welfare because, although the economy has shown some improvement, there are still

many Rhode Islanders addressing balances accrued during the winter of 2014/2015 who had higher rates than the prior winter. Accordingly, the PUC found it was necessary to adopt emergency regulations to address the imminent peril to public health, safety, and welfare by lowering the amount of funds needed for customers to have service restored. Also, given the adoption of emergency rules every year for the past seven years, the PUC found that people have come to expect and rely upon adoption of the rules.

The PUC will continue to include the conditions on participation in the plan as they are designed to control the continued growth of large arrearages. The conditions attempt to balance the interest of all ratepayers by allowing those without service a more affordable down payment than they would otherwise be eligible for while reducing other ratepayers' exposure to higher rates from potentially larger write-offs.

However, the previously defined multi-tiered plans have proven problematic. Specifically, customers with lower balances are in a worse position than those with higher balances, both in terms of the percentage down payment and the amount of time to repay the balance. In order to address the inequity and to discourage the creation of even higher balances going forward, the PUC will eliminate the tiers as to down payments and require a 15% down payment for all participating customers.

Therefore, the Commission voted unanimously to adopt the following emergency regulation:

From November 4, 2015 through December 4, 2015, any residential customer whose utility service has been terminated by National Grid for non-payment or who has a Termination date scheduled will be entitled to

have such service restored by National Grid upon satisfaction of two of the following conditions:

- (a) for a customer owing less than \$1000, 15% of the balance owed must be paid and the remainder of that balance must be paid within 18 months;
- (b) for a customer owing at least \$1000 but less than \$2500, 15% of the balance owed must be paid and the remainder of that balance must be paid within 24 months;
- (c) for a customer owing \$2500 or more, 15% of the balance owed must be paid and the remainder of that balance must be paid within 36 months unless the Company chooses to extend such time period;
- (d) to participate in a payment plan under this provision, Part V, Section 4(G), the customer either (1) did not participate in one of the plans listed in Part V, Section 4(G)(a)-(c) in a prior year or (2) did participate and currently has a balance due on his or her account that is the same or less than the balance that customer had upon enrollment in the prior year plan listed in Part V, Section 4(G)(a)-(c), or (3) did participate last year and currently has a higher balance but makes an additional down payment to bring the current balance down to or below the balance at enrollment last year.

In addition to the down payments specified above, customers must pay current bills within the time period allowed by National Grid. A formal commitment to receive funds from any social service agency by December 4, 2015 for either all or part of the down payment required above shall be considered compliance with the provisions of this rule provided that the customer has satisfied the other conditions set forth above.

(22205)

EFFECTIVE AT WARWICK, RHODE ISLAND, ON NOVEMBER 4, 2015
PURSUANT TO AN OPEN MEETING DECISION ON OCTOBER 30, 2015.
WRITTEN ORDER ISSUED ON NOVEMBER 3, 2015.

PUBLIC UTILITIES COMMISSION



Margaret E. Curran

Margaret E. Curran, Chairperson

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Paul J. Roberti, Commissioner

Herbert F. DeSimone, Jr.

Herbert F. DeSimone, Jr., Commissioner

*Commissioner Roberti concurs but is unavailable for signature.