

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 two requests 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). The first was from the George Wiley Center (Wiley Center) and the second was from Senate President Paiva Weed and House Speaker Mattiello (Legislature). They requested changes to the terms of the payment plans available for both those customers without electric service to have their service restored and for those who have a termination date scheduled.

In its August 17, 2016 letter, the Wiley Center proposed that the PUC institute a year-round emergency regulation allowing utility customers to have service restored after termination with a down payment of 10% of the balance owed. The basis for this declaration, according to the Wiley Center, is that terminations of service cause an emergency all year. The Wiley Center urged the PUC to institute this provision on or before September 1, 2016, the effective date of new legislation requiring customers to pay their balance owed in order to enter an arrearage forgiveness plan.¹ The Wiley Center

¹ Letter to Chairperson Curran from Wiley Center (Aug. 17, 2016). [http://www.ripuc.org/eventsactions/docket/1725-WileyCtr-ER-Request\(8-17-16\).pdf](http://www.ripuc.org/eventsactions/docket/1725-WileyCtr-ER-Request(8-17-16).pdf). Under the 2016 version of the Henry Shelton Act, a customer may have 100% of his or her arrearage forgiven if the customer successfully completes an arrearage management plan. Customers who enter the arrearage management plan on or after September 1, 2016 prior to termination of service have no down payment. Those who enter the plan after termination of service are required to pay 25%. Under the old version, all customers were required to pay 10% of their balance owed, regardless of the status of their utility service,

stated that a new emergency rule is necessary because there is no longer any payment plan that would allow a 10% down payment. Therefore, the Wiley Center proposed that the PUC adopt a rule allowing customers to avoid termination upon making a down payment of 10% of their 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 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.

On September 27, 2016, the Legislature requested that the PUC take action, as it has in prior years, to modify the existing Termination Rules to provide the most vulnerable consumers an accommodation to assist them in restoring utility service as winter weather begins. The Legislature noted that the PUC was provided specific authority to adopt such accommodations in the 2016 Henry Shelton Act revisions. In its letter, the Legislature requested that the PUC take action to give consumers an opportunity to responsibly pay down their outstanding balances over time.²

The PUC provided a copy of the request to the service list maintained in this docket in order to accept comments on the proposals. The PUC received comments from the Division of Public Utilities and Carriers (Division) and The Narragansett Electric Company d/b/a National Grid (National Grid). In its amended comments, the Division recommended that the PUC adopt emergency regulations, effective for 120 days, to allow customers to

but could only have a portion of their arrearage forgiven.

<http://webservice.rilin.state.ri.us/PublicLaws/law16/law16125.htm>.

² Letter from Senate President Paiva Weed and Speaker Mattiello (Sept. 22, 2016).

[http://www.ripuc.org/eventsactions/docket/1725-GenAssembly-ER-Request2\(9-29-16\).pdf](http://www.ripuc.org/eventsactions/docket/1725-GenAssembly-ER-Request2(9-29-16).pdf).

have gas and electric service restored for a down payment of 10% of the balance owed. Customers eligible for the plan would be those who either (1) did not participate in emergency plans in the prior year or (2) did participate previously and now seek to enroll in 2016 with a balance at or below the prior year's balance. Customers would also have to pay their current bills in the time period allowed by National Grid.³

National Grid filed two sets of comments, separately addressing each request. In each of its comments, National Grid supported PUC adoption of emergency regulations that mirror those adopted in 2015, with the same terms and conditions. According to National Grid, the emergency regulations adopted in 2015 would benefit National Grid's low income customers and remain consistent with the requirements of the 2016 Henry Shelton Act revisions.⁴

At an Open Meeting conducted on October 31, 2016, 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, it still has not rebounded entirely. Additionally, with the onset of colder winter weather, 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 eight years, people have come to expect and rely upon the adoption of emergency rules.

³ Letter from Macky McCleary, DPUC Administrator to Luly Massaro (Oct. 19, 2016); [http://www.ripuc.org/eventsactions/docket/1725-DPU-AmendComments\(10-20-16\).pdf](http://www.ripuc.org/eventsactions/docket/1725-DPU-AmendComments(10-20-16).pdf).

⁴ Letters from Attorney Humm to Luly Massaro (Oct. 17, 2016); [http://www.ripuc.org/eventsactions/docket/1725-NGrid-Comments-StateRequest\(10-17-16\).pdf](http://www.ripuc.org/eventsactions/docket/1725-NGrid-Comments-StateRequest(10-17-16).pdf); [http://www.ripuc.org/eventsactions/docket/1725-NGrid-Comments-GWCRequest\(10-17-16\).pdf](http://www.ripuc.org/eventsactions/docket/1725-NGrid-Comments-GWCRequest(10-17-16).pdf).

The PUC will not make any changes to the terms of the new Henry Shelton Act arrearage forgiveness plans. The legislation was recently enacted, in June 2016, and became effective on September 1, 2016. The General Assembly specifically changed the terms of the payment plans such that down payments were amended and the arrearage forgiveness was made more generous. The PUC is required, commencing in November 2018, to report on the effectiveness of the new arrearage forgiveness plan with a cost benefit analysis. It would be impossible for the PUC to provide a cost benefit analysis on the effectiveness of the plan enacted by the General Assembly if the PUC changes that plan before any data is available. Given the nature of the plan, allowing enrollment to occur all year, it is unlikely the PUC will have sufficient reliable data to provide a robust analysis until the program has been in effect for at least three years. Therefore, it is premature for the PUC to exercise any discretion at this time.

The PUC's emergency regulations will require customers to pay 10% of the balance owed in order to have service restored and allow for varied payment terms that are longer than the Termination Rules currently allow. This is a change from the PUC's 2015 emergency regulations which required a down payment of 15%. The PUC notes that the 10% down payment was supported by the Division. Such a down payment will conserve the availability of LIHEAP funds used to assist customers in restoration of service. The PUC will continue to include the conditions on participation in the plan because 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 would otherwise be available while reducing other ratepayers' exposure to higher rates from potentially larger write-offs.

Therefore, the PUC voted unanimously to adopt the following emergency regulations:

From November 2, 2016 through December 4, 2016, 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, 10% 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, 10% 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, 10% 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

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, 2016 for either all or part of the down payment required above shall be considered compliance with the provisions of this rule provided that customer has satisfied the other conditions set forth above.

(22594)

EFFECTIVE AT WARWICK, RHODE ISLAND ON NOVEMBER 2, 2016
PURSUANT TO AN OPEN MEETING DECISION ON OCTOBER 31, 2016.
WRITTEN ORDER ISSUED ON NOVEMBER 2, 2016.

PUBLIC UTILITIES COMMISSION



Margaret E. Curran, Chairperson

Herbert F. DeSimone, Jr., Commissioner

Marion S. Gold, Commissioner