

**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 :**

ORDER

On September 12, 2019, the George Wiley Center (Wiley Center) submitted a request to the Public Utilities Commission (PUC) to “institute an emergency termination regulation” to allow all residential utility customers to be allowed to restore electric or gas service with a down payment of 10% on the arrearage balance and eighteen to thirty-six months to repay their balances, with an immediate effective date through December 31, 2018.¹ The Wiley Center specifically requested that the PUC not include the conditions on enrollment previously required over the last several years.² In support of its request, the Wiley Center asserted that lower, more affordable, down payments can have a positive impact on economically struggling households.³

On September 23, 2019, Pascoag Utility District (Pascoag) had submitted comments, requesting that it be exempted from the proposed payment plans. Pascoag expressed concern for its ability to manage its finances if there were additional constraints on its ability to manage its collections efforts. Pascoag described its outreach efforts to assist customers and explained the flexibility it already provides through its

¹ Viveiros Letter (Sept. 12, 2019).

² *Id.* The previously required conditions were that the customer either never participated in the plan in the past, that the customer participated but has a balance at or below the balance when the customer previously participated, or the customer pays an additional down payment to bring the balance at or below the previous balance that existed when the customer enrolled. Order No. 22967 (Nov. 27, 2017); Order No. 23312 (Nov. 1, 2019).

³ Viveiros Letter (Oct. 9, 2018).

payment plans.⁴ Pascoag has historically been exempted from the previously described modified payment plans.⁵ In response to PUC inquiry, Pascoag provided additional information that showed it had no qualifying customers with balances in excess of \$999. Most of Pascoag's 232 customer arrearages, (228 of that total) have balances less than \$500. Moreover, not all customers may be eligible for termination.⁶

On October 4, 2019, The Narragansett Electric Company d/b/a National Grid (National Grid) submitted comments supporting the previously approved emergency restoration plans with all the conditions previously required, including the terms and conditions related to the Arrearage Management Plan (AMP). National Grid opined that allowing the reduced down payments, as in the past, would assist its customers during the winter season.⁷

Also on October 4, 2019, the Division of Public Utilities and Carriers (Division) submitted comments summarizing the 2018 modified payment plans and stated it had no objection to the PUC again allowing the modified payment plans with all the conditions previously required. The Division posited that the conditions previously included in the modified payment plan provisions was reasonable to balance the interests of the utility.⁸ The Division also specifically did not object to Pascoag's request for an exemption.⁹

On October 8, 2019, the Block Island Utility District (BIUD) submitted comments in which it also requested an exemption from the proposed payment plans. BIUD represented that it has had success in offering affordable payment plans and has had very

⁴ Rivet Letter (Sept. 23, 2019).

⁵ See Order Nos. 22967 and 23312 (applying the temporary payment plans only to National Grid).

⁶ Email from Rivet (Oct. 9, 2019). In its September 2019 monthly report in this docket, Pascoag represented that the average balance at disconnection was approximately \$123.00.

⁷ Webster Letter (Oct. 4, 2019).

⁸ Hetherington Letter at 1 (Oct. 4, 2019).

⁹ *Id.* at 2.

few defaults. BIUD noted that it has not had the need to even offer many payment plans. Finally, BIUD related that it has only two payment plans in effect.¹⁰ BIUD also has been historically exempted from the modified payment plans.¹¹

At an Open Meeting on October 11, 2019, the PUC, referencing R.I. Gen. Laws § 39-1-32(a), found that public safety required an order, effective immediately, to provide for restoration of gas and electric service for residential customers at a reduced level of down payment, lower than that required by the PUC's Rules and Regulations Governing the Termination of Residential Electric, Gas, and Water Utility Service. With the onset of colder weather, public safety requires lowering the amount of funds needed for customers to have service restored. Also, given the adoption of a reduced down payment and payment plan every year for the past eleven years applicable to National Grid customers, people have come to expect and rely upon adoption of it.

The PUC applied its ruling only to National Grid. While all Rhode Islanders are similarly situated with respect to weather, BIUD's comments persuaded the PUC that BIUD's customers are not in need of the modified payment plans at this time. Similarly, Pascoag's letter described significant outreach efforts, flexibility, and success in working with customers to address their payment needs. Therefore, the PUC found that the administrative burden on these two small utilities likely outweighs any incremental benefit their customers might realize. Furthermore, customers of these two utilities may actually be better off with the continued flexible assistance offered by their utilities rather than the complex, prescribed payment plans. Due primarily to the relative size of the utilities, National Grid customers are in a different situation. Large distribution utilities may simply

¹⁰ McElroy Letter (Oct. 8, 2019).

¹¹ See Order Nos. 22967 and 23312 (applying the temporary payment plans only to National Grid).

be unable to provide the level of individualized customer service that may be provided by those with fewer than 5,000 residential customers.

The PUC has continued to include conditions on participation in the plans because the conditions are designed to help control the continued growth of large arrearages. The conditions attempt to balance the interest of all ratepayers by allowing those currently without service, or facing termination, a more affordable down payment than would otherwise be required while also reducing changes other ratepayers will be subjected to higher rates resulting from larger write-offs.

For the second time, the PUC has extended the reduced down payment to those eligible for the AMP. From October 14, 2019 through December 31, 2019 customers who are eligible for the AMP under R.I. Gen. Laws § 39-2-1(d)(2) may enroll in it with an initial payment of 10% of the unpaid balance.

The parties have not quantified the costs and benefits of reducing the down payments for the emergency payment plans or the AMP, but it is possible that customer and societal benefits could exceed the costs. In order to make a more quantitatively informed decision in the future, the PUC, through this order is issuing reporting requirements to National Grid to better track the effectiveness of the results of this and other PUC decisions related to payment management.¹² Additionally, the PUC recently approved streamlined and more detailed reporting requirements which may also assist in future reviews. The PUC encourages parties to provide as much evidence as possible of the costs and benefits of proposals related to National Grid's electric (and in this case gas) proposals affecting rates and payments.

¹² The reporting requirements are marked as Appendix A, attached hereto, and incorporated by reference.

Accordingly, it is hereby

(23697) ORDERED:

1. Public safety requires an order, effective immediately, to provide for the restoration of gas and electric service for residential customers at down payments lower than those contained in the PUC's Rules and Regulations Governing the Termination of Residential Electric, Gas, and Water Utility Service.

2. From October 14, 2019 through December 31, 2019, 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 certain 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 Order, as per, Part V, Section 4(G) of the Rules, the customer either (1) did not participate in one of the plans listed 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 the Rules, 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 31, 2019 for all or part of the additional down payment shall be considered compliance with the provisions of the Rules, provided that the customer has satisfied the other conditions set forth above.

3. From October 14, 2019 through December 31, 2019, customers who are eligible for the Arrearage Management Plan under R.I. Gen. Laws § 39-2-1(d)(2) may enroll in an Arrearage Management Plan with an initial payment of 10% of the unpaid balance.

4. At the time a customer seeks a payment plan under the terms adopted by this order, if the customer is not on the income-eligible rate, National Grid, shall determine whether the customer is eligible for the income-eligible rate and, if so, enroll the customer in the appropriate income eligible rate for either gas or electric service.

5. National Grid shall comply with the reporting requirements included in Appendix A, attached to this Order and incorporated by reference.

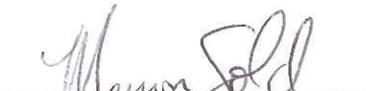
EFFECTIVE AT WARWICK, RHODE ISLAND, ON OCTOBER 14, 2019
PURSUANT TO AN OPEN MEETING DECISION ON OCTOBER 11, 2019.
WRITTEN ORDER ISSUED ON OCTOBER 18, 2019.

PUBLIC UTILITIES COMMISSION

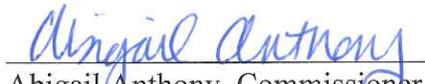




Margaret E. Curran, Chairperson



Marion Gold, Commissioner



Abigail Anthony, Commissioner

NOTICE OF RIGHT OF APPEAL: Pursuant to R.I. Gen. Laws §39-5-1, any person aggrieved by a decision or order of the PUC may, within seven (7) days from the date of the order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.

Appendix A – Reporting Requirements

Docket 1725 reporting requirements for the modified payment plans in effect from 10/14/19-12/31/19

National Grid shall prepare a table that includes, at a minimum:

- a. Number of customers enrolled
- b. For each customer, the rate class that customer is in
- c. Each customer balance at time of enrollment
- d. First enrollment or not?
- e. If not first enrollment, the balance at the time of the previous enrollment
- f. Each customer down payment (dollar and percentage)
- g. Each customer monthly payment and arrearage balance

Each customer shall be tracked through the term of the payment plan or until default, whichever occurs sooner.

For a defaulting customer, provide the arrearage balance at time of default.

The first report shall be due on January 15, 2020.

On May 15, 2020, provide an update on each of the customers enrolled, providing the then-current arrearage balance, whether the customer is current with the payment plan, date of default if not current, number of payments during moratorium, date of last payment during moratorium if not current.

On September 15, 2020, provide an update to the May 15, 2020 report that includes current information as of August 31, 2020.