

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: RULES GOVERNING THE :
ACCEPTANCE OF CREDIT CARDS : DOCKET NO. 3569
BY UTILITY COMPANIES :

REPORT ACCOMPANYING REPEAL

On November 23, 2016, the Public Utilities Commission (PUC) issued a Notice of Proposed Rulemaking seeking comments on its proposal to repeal the Rules Governing the Acceptance of Credit Cards by Utility Companies (Rules).¹ In its decision to propose the repeal, the PUC noted that the Rules were promulgated in 2004 and require the electric, gas, sewer, and water utilities who allow payment by credit card to pass through vendor fees to the credit card user rather than socializing the processing fee in base rates.

Since the promulgation of these Rules, the PUC has granted waivers to all of the utilities that have requested waivers. The only ones who accept credit cards and are not socializing the processing/convenience fee are Kent County Water Authority, Providence Water Supply Board, and The Narragansett Electric Company d/b/a National Grid. All of the other utilities that accept credit cards have requested and been granted a waiver. The PUC has never denied a waiver to the Rules. Therefore, those utilities granted waivers are passing the cost of credit card processing through their rates to all customers. Those utilities that have not requested waivers pass the processing cost on to the user. Because there is no longer one consistent policy in force, it does not appear to be necessary to have Rules requiring uniformity. The effect of repealing the Rules would neither require nor prohibit the charge of a convenience fee. Rather, the utility would follow tariffs it has on file for payment by credit card. The issue of cost allocation could then be reviewed

¹ Notice (Nov. 23, 2016); <http://www.ripuc.org/eventsactions/docket/3569-rules-notice-repeal.pdf>. On November 17, 2016, the PUC voted at an Open Meeting to issue the Notice of Proposed Rulemaking. Minutes of Nov. 17, 2016; <http://www.ripuc.org/eventsactions/minutes/111716.pdf>.

in each utility's rate case just as the cost of processing a check as payment or other online payments is now reviewed.

On December 27, 2016, the PUC received comments from National Grid and the Division of Public Utilities and Carriers (Division).² Neither the Division nor National Grid opposed the repeal of the Rules. Each noted that the repeal does not mandate the terms and conditions under which utilities will accept credit card payments in the future; rather, any utility proposal will be reviewed on a case by case basis.

At an Open Meeting held on January 5, 2017, the PUC reviewed the comments and voted unanimously to repeal the credit card Rules on the basis that there is currently no consistent policy among the utilities and, therefore the Rules mandating uniform terms and conditions are no longer relevant. The PUC reiterates that repeal of the Rules does not alter the status quo for the individual utilities, but that the acceptance of credit cards will not be reviewed as part of rate cases filed after the effective date of repeal of the Rules. Finally, repeal of rules such as these is consistent with State policy encouraging fewer rules where alternative solutions are practical.

² National Grid comments (Dec. 27, 2016); [http://www.ripuc.org/eventsactions/docket/3569-NGrid-Comments\(12-27-16\).pdf](http://www.ripuc.org/eventsactions/docket/3569-NGrid-Comments(12-27-16).pdf); Division comments (Dec. 27, 2016); [http://www.ripuc.org/eventsactions/docket/3569-DPU-Comments\(12-27-16\).pdf](http://www.ripuc.org/eventsactions/docket/3569-DPU-Comments(12-27-16).pdf).

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EFFECTIVE AT WARWICK, RHODE ISLAND ON JANUARY 30, 2017 PURSUANT TO OPEN MEETING DECISIONS ON NOVEMBER 17, 2016 AND JANUARY 5, 2017. FINAL RULES FILED WITH THE SECRETARY OF STATE'S OFFICE ON JANUARY 10, 2017³. REPORT ISSUED ON FEBRUARY 1, 2017.

PUBLIC UTILITIES COMMISSION



Margaret E. Curran, Chairperson

Herbert F. DeSimone, Jr., Commissioner

Marion S. Gold, Commissioner

³ Rules and Regulations Filing Form (Jan. 10, 2017) http://www.ripuc.org/eventsactions/docket/3569-SOS-RepealForm_1-10-17.pdf