

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

IN RE: AFFORDABLE ENERGY PLANS : DOCKET NOS. 3804 & 3806

ORDER

On July 24, 2007, National Grid (“NGrid”) filed a motion for relief from Order No. 18973 in accordance with Commission Procedural Rule 1.28(b). In Order No. 18973, the Commission approved the Affordable Energy Plans of NGrid, Pascoag Utility District (“Pascoag”) and Block Island Power Company (“BIPCO”), which included a discounted distribution rate for low-income electric and gas customers. NGrid made this request because the Office of Energy Resources (“OER”) indicated in a letter that the fiscal year 2008 budget, passed by the Rhode Island General Assembly, eliminated funding for the Affordable Energy Fund. Since the discounted distribution rate for low-income customers was to be paid with an appropriation from OER’s Affordable Energy Fund, NGrid requested relief from Order No. 18973, which requires the filing of tariff revisions for NGrid’s discounted distribution rate for low-income gas customers.<sup>1</sup>

On August 7, 2007, the George Wiley Center filed an objection to the extent NGrid sought relief from implementing its debt forgiveness plan. The George Wiley Center did not object to NGrid’s request for relief as it relates to discounted distribution rates. The George Wiley Center noted that arrearage forgiveness is treated as bad debt under the law and that the forgiveness plan is a three year program for which NGrid would not forgive any arrearage during the first year of the program, fiscal year 2008.

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<sup>1</sup> On July 26, 2007, BIPCO filed a letter and on August 2, 2007 Pascoag filed a letter. Both utilities made a similar request.

At an open meeting on August 9, 2007, the Commission reviewed the pleadings and granted the request of the utilities as it relates to the discounted distribution rates. It is clear that the discounted distribution rates for low-income customers are contingent upon funding by OER.<sup>2</sup> The Rhode Island General Assembly eliminated all funding for OER's Affordable Energy Fund for fiscal year 2008.

As a result, NGrid is not required to file tariff revisions to implement a discounted distribution rate for low-income gas customers. Likewise, Pascoag and BIPCO are not required to file tariff revisions to implement a discounted distribution rate for low-income electric customers.<sup>3</sup> The debt forgiveness plan, which went into effect July 1, 2007, shall remain in effect.<sup>4</sup>

Accordingly, it is

(19055) ORDERED:

1. The motion for relief from Order No. 18973 as it relates to the utility distribution discount rates filed in the utilities' Affordable Energy Plans is granted.

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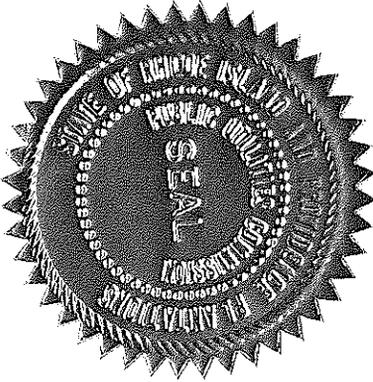
<sup>2</sup> R.I.G.L. § 39-1-27.10.

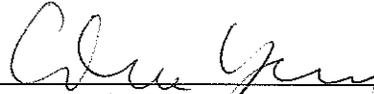
<sup>3</sup> The discounted distribution plans can be implemented once OER has provided funding from its Affordable Energy Fund. This will be determined when OER files its annual strategic plan, which occurs every March 1st. R.I.G.L. § 42-141-3.

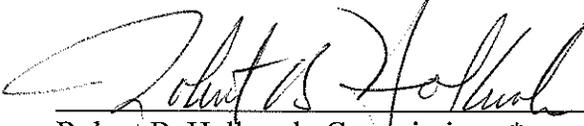
<sup>4</sup> It should be noted that P.L. 2007 chs. 51 and 66 made changes to the debt forgiveness plan as set forth in R.I.G.L. § 39-2-1(d). For instance, customers are allowed to miss no more than three payments during the three year program, but a customer cannot miss more than two payments within a calendar year and the missed payments cannot be consecutive. The utilities must comply with this statutory revision to the debt forgiveness plan.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO AN OPEN MEETING DECISION ON AUGUST 9, 2007. WRITTEN ORDER ISSUED AUGUST 31, 2007.

PUBLIC UTILITIES COMMISSION



  
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Elia Germani, Chairman

  
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Robert B. Holbrook, Commissioner\*

  
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Mary E. Bray, Commissioner

\*Commissioner Holbrook did not participate.