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January 4, 2008

L. E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: Docket No. 3876 In Re: Rules and Regulations Governing the Termination of Residential Electric, Gas and Water Utility Service

Dear Ms. Massaro:

Enclosed please find an original and nine copies of the comments of AARP Rhode Island on Docket No. 3876, Supplemental Notice of Rulemaking In Re: Rules and Regulations Governing the Termination of Residential Electric, Gas and Water Utility Service.

If you have any questions concerning this filing, please contact Janee Briesemeister, Senior Legislative Representative in AARP's department of Government Relations and Advocacy at 512-480-2426.

Sincerely,

Kathleen Connell
State Director
AARP Rhode Island

Encl.

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PUBLIC UTILITIES COMMISSION

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
BEFORE THE PUBLIC UTILITIES COMMISSION

IN RE: RULES AND REGULATIONS §
GOVERNING THE TERMINATION OF § DOCKET NO. 3876
RESIDENTIAL ELECTRIC, GAS AND §
WATER UTILITY SERVICE §

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Comments of AARP on the Supplemental Notice of Rulemaking

AARP,¹ with more than 137,000 members in Rhode Island, submits the following comments in Docket No. 3876, Supplemental Notice of Rulemaking In Re: Rules and Regulations Governing the Termination of Residential Electric, Gas and Water Utility Service. AARP has previously filed comments in Docket No. 3876.

AARP opposed portions of the rule amendments as originally proposed because they would have made significant changes in some existing rules severely diminishing consumer rights. After receiving comments from AARP and others, several of these provisions have been removed from, or modified in, the current proposal. However, new provisions have been added which would place limitations on the payment plans offered to customers. AARP is concerned that these new changes, originally proposed by National Grid, will limit payment plans available to customers and result in more services disconnections.

¹ AARP is a nonprofit, nonpartisan membership organization that helps people 50+ have independence, choice and control in ways that are beneficial and affordable to them and society as a whole. We produce *AARP The Magazine*, published semimonthly; *AARP Bulletin*, our monthly newspaper; *AARP Segunda Juventud*, our semimonthly magazine in Spanish and English; *NRTA Live & Learn*, our quarterly newsletter for 50+ educators; and our website, AARP.org. AARP Foundation is an affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. We have staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

I. Consumer Assistance from Non-attorneys

One of the most controversial aspects of the original proposal was the prohibition on non-attorneys assisting consumers during a formal hearing at the PUC regarding disconnection of service. Currently, a consumer can appear at such a hearing representing him- or herself, represented by an attorney or represented by “another person of their choice”. The proposed amendment to Part VI, Section 5 removed the last option and required consumers to represent themselves or be represented by a an attorney authorized to practice in the state.

AARP and others opposed this change.² In response, the Commission proposes not to maintain the current language, but to state that a person can be represented by “another person in accordance with Rhode Island state law.” Although this language does not clearly prohibit assistance from a non-attorney, it is not clear whether the current practice would or could be challenged.

AARP believes the legal process should be open, accessible and affordable for the consumer. It is our expectation that the intent of this language change is not to discourage or challenge a consumer who is assisted by a person who is not a Rhode Island licensed attorney.

II. Utility Discretion Regarding Payment Plans

Another amendment proposed in the original would have removed a provision in Part V, Section 4 (A) that allows utility companies to offer more lenient payment plans than those required by the rules. AARP opposed this amendment. The Commission has reconsidered and has rescinded this proposal. AARP strongly supports retaining utility discretion to offer more lenient payment plans. Allowing a utility the flexibility to respond to a unique or specific situation is good for both the utility and the customers.

² See our comments filed November 5, 2007.

III. Provisions Regarding Immediate Restoration of Service

Another change proposed in the previous rules which would have diminished consumer rights occurred at Part VII, Section 1 (B) with an amendment to allow the Administrator of the Division of Public Utilities and Carriers to conduct proceedings regarding the immediate emergency restoration of service, without first determining whether the Commission is available to conduct the hearing. In effect, the proposal shifts the authority to conduct service restoration hearings from the Commission to the DPUC. The current process, where the Commission conducts such hearings, has been working well and should not be changed. This was also one of the more controversial proposals in the original rule amendments.

Based on public comments, the Commission has reinstated the provision allowing customers to petition the Commission for emergency relief, but only if the Division is unavailable to hear such requests. Certain procedural requirements have been proposed as well. AARP continues to have concerns about this new language, which appears to add new procedural hurdles to the process. A consumer seeking restoration of service under this provision has most likely already had a hearing before DPUC and lost. In such emergency situations it is unfair for the customer to have to appear before the same adjudicator who may have ordered disconnection in the first place. The current procedure acts as a sort of check and balance and should not be changed.

Other aspects of the new language also raise concerns. For example, the amendments would require customers to show they have “attempted to avoid termination.” In the context of such a case the consumer is in fact trying to avoid termination, therefore to what does this phrase refer? Also, we question whether additional requirements of (B) will delay the proceeding, and put the consumer at greater risk of disconnection.

IV. Terms of Payment Plan Should not be Changed:

In previously filed comments National Grid recommended the rules be amended to prevent a customer who has defaulted or been “disenrolled” from a payment plan to move to another payment plan without a down payment. The supplemental rulemaking incorporates National Grid’s recommendations. The effect will be that certain customers who have been able to retain service through new payment plans will now be required to pay a down payment first. For many, the new down payment requirement may mean they are not able to maintain service at all.

AARP does not support this recommendation, especially given the level of down payments that are required under the current rules. It is noteworthy that until December 1, 2007, National Grid had voluntarily agreed to reduce down payments for protected status customers seeking reconnection. Further, on October 10 Senator Joseph Montalbano submitted a letter to the Commission requesting a modification of the rules for down payment for reconnection. Specifically, Sen. Montalbano recommend reducing the percentage of down payments of the outstanding balance to assist lower income households in re-establishing service prior to the onset of colder weather. Sen. Montalbano’s reasoning for this request is the fact that the Legislature did not fund the Affordable Energy Plan, which was intended to provide relief to low income households. It is clear the issue of affordability of down payments has been a topic of concern and these rules are an appropriate place to address it.

AARP prefers to leave the rules as they are currently drafted regarding this issue. However, if the Commission moves forward with National Grid’s recommendations, then the rules should also be amended to lower the required down payments, in accordance with the voluntary levels for protected status customers that were in effect until December 1. Further, down payments for non-protected customers (standard customer payment plan) should also be reduced by a similar amount (i.e., a 30-40% reduction in the down payment required). If the Commission gives the utility the guarantee of having

more customers who are required to provide down payments, it is fair to also reduce the level of down payments required. AARP is very concerned that impact of National Grid's proposal will be that many more customers are disconnected from essential utility service. AARP's recommendation for reduced down payments will somewhat mitigate that impact.

Submitted by:

A handwritten signature in black ink, appearing to read "Kathleen Connell". The signature is fluid and cursive, with a large initial "K" and a long, sweeping underline.

Kathleen Connell
State Director
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