



State of Rhode Island and Providence Plantations

A. Ralph Mollis
Secretary of State

Rules and Regulations Filing Form

1. Agency Name and Address

Public Utilities Commission

89 Jefferson Blvd., Warwick, RI

2. Title of Rule

Consumer Protection Requirements for Nonregulated Power Producers

3. Statutory Source of Authority

R.I.G.L. §39-2-1

4. Concise Explanatory Statement - §42-35-2.3

The Public Utilities Commission (PUC) has amended this Regulation to require Nonregulated Power Producers to include in customer disclosures/marketing materials, additional information necessary for retail electricity customers to make an informed decision about whether or not to purchase the energy portion of their electricity from a Nonregulated Power Producer without adding further regulatory burden on the Nonregulated Power Producer. The proposed rules are also amended to streamline the dispute resolution process for customers and properly reflect the statutory jurisdiction of the PUC and Division of Public Utilities and Carriers. Substantive differences between proposed rules and final adopted rules include further clarification to Part II, Section D.2 defining term of service; Section D.9 defining methods by which a customer may cancel service; and Part II, Section D.11 providing notification by NPP of potential market adjustment on last bill. Also under Part III, Section A, deletion of reference to the Consumer Protection Division of the Department of Attorney General; and Part III, Section H, deletion of reference to the Division.

5. Type of Filing

Emergency Rules	
A1. Emergency 120-day initial - §42-35-3(b)	A2. Emergency 90-day renewal - §42-35-3(b)
<input type="checkbox"/> Adoption	<input type="checkbox"/> Adoption
<input type="checkbox"/> Amendment of ERLID:	<input type="checkbox"/> Amendment
" <input type="checkbox"/> Repeal of ERLID:	Indicate ERLID of 120-day initial:
Brief Statement of Reason for Finding Imminent Peril §42-35-3(b)(2):	

Final Rules			
<input checked="" type="checkbox"/> B1. Amendment	<input type="checkbox"/> B2. Adoption	<input type="checkbox"/> B3. Repeal	<input type="checkbox"/> C. Technical Revision
Supersedes ERLID: 971	Repeals ERLID:	Expires ERLID:	
If B1 or C, please indicate new, amended, deleted, or revised sections:			

6. Notice and Hearing Information

Date of Public Notice - §42-35-3(a)(1):05/16/2014
 Date of Public Hearing - §42-35-3(a)(2):06/12/2014
 End of Comment Period:08/20/2014

7. Agency Additional Information - Web Page

<http://www.ripuc.org/eventsactions/docket/4503page.html>

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RI SECRETARY OF STATE
ADMINISTRATIVE RECORDS**8. Certification**

I hereby certify that the attached rules and regulations were adopted in accordance with the Administrative Procedures Act (42-35) and that they are true copies of this Department, attest,

July E. Massaw
Name

Commission Clerk
Title

Patricia L. Lucarelli
Notary Public my commission expires: 12/7/18
Subscribed and sworn before me
this 30th day of September, 2014

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

**CONSUMER PROTECTION
REQUIREMENTS FOR NONREGULATED POWER PRODUCERS**

Date of Public Notice: May 16, 2014

Date of Public Hearing: June 12, 2014

Effective Date: October 20, 2014

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REQUIREMENTS FOR NONREGULATED POWER PRODUCERS

I. INTRODUCTION

Nonregulated Power Producers (NPPs), as defined by the Utility Restructuring Act of 1996 (URA) in R.I. Gen. Laws § 39-1-2(19), have been permitted to sell to or aggregate electricity for eligible Rhode Island customers since July 1, 1997. The Public Utilities Commission (Commission) is required to “promulgate such...rules and regulations as are necessary to protect consumers following the introduction of competition in the electric industry...”

In 1997, the Commission promulgated the initial Consumer Protection Requirements for Nonregulated Power Producers. Until 2012, very little electric supply competition occurred at the residential level. In 2012 and 2013, more NPPs began marketing to residential customers and more customers have switched to competitive supply. As a result of this increased participation in the competitive market, the Commission and Division of Public Utilities and Carriers has been made aware of certain issues not considered in the 1997 version of the rules and regulations. Therefore, in response to an identified need, the Commission has determined there is a need to amend its Consumer Protection Requirements for Nonregulated Power Producers.

II. PREREQUISITES FOR RHODE ISLAND OPERATIONS

A. All NPPs seeking to do business in Rhode Island must be registered in good standing with the Division of Public Utilities and Carriers (Division), in accordance with R.I. Gen. Laws. § 39-1-27.1(c) and (d).

B. In addition, an NPP must file with the Division evidence of authorization to do business in Rhode Island from the Rhode Island of Secretary of State.

C. Dissemination of information regarding a customer's usage is governed by the electric distribution company's Terms and Conditions. Where there is no provision for dissemination of customer usage information, such information will be provided at the customer's request by the electric distribution company to the customer at no charge, for dissemination by the customer to NPPs of the customer's choice. There may be direct transfer of data from the electric distribution company directly to the supplier upon request of the customer.

D. Contracts between NPPs and customers must be written in plain English, and include the following information:

1. Specific pricing information, including all charges (see Rule II E);
2. Term of service, including the date by which a customer must contact the NPP if he or she seeks to disenroll at the end of the term to avoid extending service with the NPP beyond the initial term such date must allow the NPP to contact [name of electric distribution company] in sufficient time to switch the customer back prior to entry into the customer's next billing cycle, as set forth in the electric distribution company's tariffs on file with the PUC;
3. Rights and limitations of each party to terminate the contract, including notification rules for termination by either signatory. This section of the contract must clearly state that the NPP may not physically cut off electric service to consumers;
4. Amount of any fees or penalties that may be imposed, e.g., for late payments, bad checks, or early contract terminations;
5. Any deposits that may be required (including amount, interest rate, recovery, conditions for forfeiture);
6. Budget plan availability, if any;
7. Dispute resolution process;
8. Customer service contact telephone number;
9. Method by which a customer may cancel service through the NPP. While sending an e-mail or by other electronic means may be acceptable, an additional method by which a customer without internet access may cancel service must be provided, such as by mailing a letter or by making a telephone call with third-party verification;
10. Any additional service options or additional information; and
11. A statement that there may be a market adjustment charged or credited to the customer by [name of electric distribution

company] on his or her last utility bill for which the customer is enrolled in standard offer service.

For uniformity of presentation to residential customers, the information shall be presented in the above numerical order. Upon request by a residential customer, any contract must be made available in Spanish and Portuguese.

E. Price information shall include pricing elements, price change formulas, and the potential for price volatility through variable rates or other mechanisms. Unless there is a rate cap, if the NPP will not make the rate known to the customer until after the electricity is consumed, the disclosure shall clearly state that the price of electricity during the period commencing on [date] may be higher than the standard offer rate charged by the [name of electric distribution company].

F. Fuel and environmental impacts of the NPP's source or sources of generation must be provided to customers in compliance with the Commission's Energy Source Disclosure Rules. The Energy Source Disclosure labels may be provided to customers electronically.

G. Where the NPP sends a bill separate from the electric distribution company, NPP customer bills must contain, at a minimum, the billing period (dates and number of days in the period); an indication of whether the bill is rendered on an actual read or estimated basis; the demand and energy levels being billed; the current month's billing amount, shown separately from the total amount due; payment due date; late payment penalties, interest rate, and charges; and a toll-free contact number for questions regarding the bill.

H. Physical cut-off of electric service shall be controlled solely by the electric distribution company under its current termination rules.

III. DISPUTES BETWEEN NPPS AND CUSTOMERS

A. Breach of Contract and Billing Disputes. Disputes between the NPP and an individual customer that cannot be privately resolved may be resolved through appropriate legal action. The Commission will not adjudicate such disputes.

B. Violations of these Regulations. Disputes between NPPs, customers, or other aggrieved parties relating to violations of these regulations are subject to the Division's jurisdiction under the Division's Rules Applicable to Nonregulated Power Producers, particularly Part IV., entitled Dispute Resolution Regulations Relating to Nonregulated Power Producers.

C. Division Decision Final Unless Appealed. Any decision of the Division issued in conformance with the Division's Regulations shall be final and binding upon the parties unless appealed under the Rhode Island Administrative Procedures Act.

D. Enforcement and Remedies. The Commission reserves the right to exercise its authority to issue any order reasonably necessary to enforce these regulations or otherwise protect the public interest in accordance with the Commission's Rules of Practice and Procedure

E.. Investigations by the Commission.

1. The Commission reserves the right to open an investigation on any matter to enforce its regulations or determine whether these regulations are being violated.

IV. COORDINATE REGULATIONS AND AUTHORITY

NPPs are subject to the URA, as well as regulations promulgated by the Commission and the Division. They must also comport with the Commission-approved Terms and Conditions for NPPs of the individual electric distribution companies, including but not limited to:

- A. The Utility Restructuring Act of 1996, particularly R.I. Gen. Laws. § 39-1-27.1.
- B. The Commission's Reliability Responsibility Regulations for Nonregulated Power Producers.
- C. The electric distribution company's Terms and Conditions for Nonregulated Power Producers as approved by the Commission.
- D. The Division's Dispute Resolution Regulations Relating to Nonregulated Power Producers.