

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

**IN RE: PASCOAG UTILITY DISTRICT'S            :**  
**ARREARAGE MANAGEMENT PROGRAM        :**                               **DOCKET NO. 4838**  
**PROVISION RIPUC NO. 850                    :**

**PASCOAG UTILITY DISTRICTS RESPONSES TO COMMISSION'S FIRST SET OF DATA REQUESTS  
DIRECTED TO PASCOAG UTILITY DISTRICT**  
(Issued June 29, 2018)

1-1. For customers who are not required to pay anything toward their total unpaid balance to enroll, please indicate how the District will determine the date of enrollment.

Response:

For customers who are not required to pay anything toward their total unpaid balance to enroll in the AMP, the date of enrollment will be the date on the customer's first bill which will state "You are currently enrolled in the AMP Budget Plan."

1-2. Assume a customer is not required to pay anything toward their arrearage to enroll. Assume further that the customer agrees to enroll and does not pay in the first month of the program but is not terminated and cannot be terminated as it is the moratorium. Will that customer be able to enroll when the moratorium ends? Why or why not?

Response:

A customer who has enrolled in the AMP and does not make his first monthly payment under his or her Payment Plan will remain in the AMP when the moratorium ends as long as the customer has not missed two additional payments before the moratorium ends as set forth in R.I. Gen. Laws §39-2-1 (D)(2). If such customer misses more than two monthly payments in a 12-month period the customer will default and be removed from the AMP. Customers who have completed the AMP or have been removed from the AMP must wait two years from the date of completion or removal and upon recommendation from a CAP agency.

1-3. What is the date of enrollment for a customer who is required to make a down payment toward their total unpaid balance in order to enroll in the program?

Response:

For customers who are required to make a down payment toward their total unpaid balance in order to enroll in the AMP, the date of enrollment is the date of the first bill that reflects the amount due under the AMP Budget Payment Plan and states that the customer is currently enrolled in the AMP.

1-4. Why does the total unpaid balance include current charges?

Response:

The Payment Plan begins with the first bill issued to the customer in which the customer must pay the AMP Budget Payment Plan amount, the total unpaid balance will consist of the past due amount at the time of the first bill with current charges included in the AMP Payment Plan Amount.

1-5. How will the District coordinate with the Community Action Program agency to validate customer eligibility?

Response:

The District will coordinate with the Community Action Programs (CAP) agencies in the following manner:

- a) Telephone- the CAP agency will call the District to notify the company of the customer's eligibility.
- b) Email- The agency will send an email to Pascoag Utility Districts mailbox to notify the District of the customer's eligibility; and or
- c) Electronic- the CAP agency will submit to the District electronic eligibility files received from R.I. LIHEAP certification season (October –April)

1-6. What does participation in the District's Energy Efficiency program entail? How will the District coordinate this with the customer? How will the District enforce this provision?

Response:

The customer's participation in the District's Energy Efficiency program will be coordinated through the Weatherization Assistance Program (WAP) at the Community Action Program (CAP) agencies. When applying for a Low Income Home Energy Assistance Program (LIHEAP) grant, the customer will need to indicate he or she would like to participate in the District's Energy Efficiency program in order to be eligible for AMP. The CAP agency will then notify the District of the customer's agreement to enter into the District's Energy Efficiency programs and the customer's eligibility to enroll in the AMP.

- 1-7. How will the District verify that the customer has applied for other available energy assistance programs such as fuel assistance and weatherization?

Response:

The District will receive notification from the Community Action Program (CAP) agencies that the customer has applied for energy assistance program prior to the District enrolling the customer in the AMP.

- 1-8. How does the District anticipate a customer's anticipated fuel assistance commitment?

Responses:

The District will receive a notification from the Community Action Program (CAP) agencies as to the amount of assistance a customer will receive. Notification is provided by the CAP Agency through a phone call and an email, or a fax.

- 1-9. Please provide an outline of how the three-month reviews will occur together with how the District will advise a participating customer of his/her responsibility to extend the AMP for a subsequent year, assuming the customer has a balance in excess of \$1500. Please include the following:

- a. In what months will the review occur?

The reviews will occur at the end of months, 3, 6 and 9 of the program year.

- b. How and when will the customer be notified of any changes to his/her payment plan?

A letter will be sent the customer stating the following:

Your AMP installment amount has changed this month due to a fuel assistance commitment, a change in usage, a significant change in Pascoag Utility District's rate, or a change of address.

- c. When will the changed payment amount appear on the bill relative to the month in which the review occurred?

The changed payment plan amount will appear on the bill in months 1, 7, and 10 of the program year.

- d. How many reviews will actually occur within a program year?

Three reviews to determine average monthly usage will occur during the program year. One final review will occur during month 12 to determine compliance with the AMP.

Responses:

Process Review

<b>Month</b>	<b>Program Review</b>	<b>Correspondence to AMP Customer</b>
1	Program Starts	Enrollment Letter
2		
3	Review previous 12 months of usage to determine average usage at service address for payment plan	
4		Revised letter stating AMP Budget Payment Plan amount changed (if applicable)
5		
6	Review previous 12 months of usage to determine average usage at service address for payment plan	
7		Revised letter stating AMP Budget Payment Plan amount changed (if applicable)
8		
9	Review previous 12 months of usage to determine average usage at service address for payment plan	
10		Revised letter stating AMP Budget Payment Plan amount changed (if applicable)
11		
12	12 month review to determine compliance with AMP	Reminder letter sent to customer to request extension of payment plan if applicable.

- 1-10. Please provide an example of a participating customer's bill where (a) the customer has a beginning balance of \$1,500 or less and (b) a customer has a beginning balance in excess of \$1500.

Response:

a) Outstanding balance of an AMP customer less than \$1,500

AMP Start Date: Jan 15, 2018

Past due balance as of first date upon start of participation in the AMP: \$600

Annual Forgiveness 1/12 of arrears up to a maximum of \$1,500: \$600

Monthly Amount forgiven 1/12 of the arrears with a maximum of \$1500: \$50

Is the outstanding balance older than 60 days and greater than \$300: Yes

Monthly AMP Budget Plan installment amount: \$45

Averaged over 12 months, less any anticipated LIHEAP Grants

Date	Activity	Monthly bills	Payment Due	Payment received	Arrears Forgiven	Total due on acct.	Remaining Arrearage
1/12/18	Previous bal.					\$600.00	
	Monthly bill	\$55.29	\$45.00			\$655.29	\$600.00
	Previous bal.						
2-3-18	Payment			(\$45.00)			
2-3-18	AMP Forgiveness				(\$50.00)		
2-12-18	Monthly Bill	\$61.87	\$45.00			\$622.16	\$550.00
	Previous bal.						
3-9-18	Payment			(\$45.00)			
3-10-18	AMP Forgiveness				(\$50.00)		
3-10-18	Monthly bill	\$68.86	\$45.00			\$596.02	\$500.00

b) Outstanding balance of an AMP customer is more than \$1,500

AMP Start Date: Jan 15, 2018

Past due balance as of first date upon start of participation in the AMP: \$2,500.00

Annual Forgiveness 1/12 of arrears with a maximum of \$1,500: \$1,500.00

Monthly Amount forgiven 1/12 of the arrears up to maximum of \$125 per month: \$125.00

Is the outstanding balance older than 60 days and greater than \$300: Yes

Monthly AMP Budget Plan installment amount: \$210.00

Averaged over 12 months, less any anticipated LIHEAP Grants

Date	Activity	Monthly bills	Payment Due	Payment received	Arrears Forgiven	Total due on acct.	Remaining Arrearage
1/12/18	Previous bal.					\$2,500.00	
	Monthly bill	\$185.00	\$210.00			\$2,685.00	\$2,500.00
	Previous bal.						
2-3-18	Payment			(\$210.00)			
2-3-18	AMP Forgiveness				(\$125.00)		
2-12-18	Monthly Bill	\$212.00	\$210.00			\$2,562.00	\$2,375
	Previous bal.						
3-10-18	Payment			(\$210.00)			
3-10-18	AMP Forgiveness				(\$125.00)		
3-12-18	Monthly bill	\$250.00	\$45			\$2,477.00	\$2,250

1-11. Please provide a copy of documentation explaining changes to a customer's plan as a result of a three-month review.

Response:

The customer's monthly AMP budgeted amount should be calculated as the average monthly bill less any actual or anticipated fuel assistance. The AMP budgeted payment plan amount should be re-adjusted through the District's billing system every three months. The new payment amount requires a recalculation of the average monthly bill and a subtraction of any actual or anticipated fuel assistance. The payment amount is re-adjusted to minimize the account balance at the end of the customer's payment plan.

Please see *Attachment No. 1* for a sample of the letter that will be sent to a customer explaining the changes to the payment plan as a result of a three-month review.

- 1-12. Please provide a copy of documentation reminding a customer that they are eligible to extend the AMP for a second year and how they may do it.

Response:

Please see *Attachment No. 2* for a letter to customers reminding them that their 12 month Payment Plan is ending and to contact the District to extend the Plan for another 12 months.

- 1-13. When will a customer in danger of defaulting from the AMP receive a letter from the District advising him or her of the risk of default? Please provide a copy of the letter.

Response:

A customer who has missed two payments will be sent a letter informing them that they are in danger of defaulting on their AMP Payment Plan. A letter would also be sent on the 11<sup>th</sup> month to remind them they need to be current at the conclusion of the initial 12-month period.

Please see *Attachment 3* for the Arrearage Management Program Default Letter.

- 1-14. What happens if a customer is current with the AMP at the end of year one but does not extend the AMP for a second year, receives a regular bill in month 13, and calls the District prior to the due date seeking to re-enroll? Can that customer re-enroll in month 13? If not, why not?

Response:

Yes, a customer who is current with his or her Arrearage Management Program (AMP) Payment Plan at the conclusion of the initial 12-month term and receives a regular bill in month 13 may request an additional 12-month Payment Plan under the AMP to accommodate the remaining past due balance. To request an extension, the customer must call the District's Customer Service Department prior to the payment due date of the bill for month 13.

- 1-15. Referencing the electric cost recovery tariff, when will the District file to seek cost recovery? What will the effective date of recovery be?

Response:

At this time the District does not anticipate a lot of participation with the Arrearage Management Program, so the District will write off the arrearage forgiveness as bad debt. However, we will monitor these costs to reserve the right to recover these costs in the future with the approval of the Rhode Island Public Utilities Commission.

- 1-16. How will the District coordinate with the Department of Human Services to validate customer eligibility?

Response:

LIHEAP is administered by the Department of Human Services (DHS) but applications are filed at the local Community Action Program (CAP) agencies.

Therefore, the District will coordinate with the Community Action Programs (CAP) agencies in the following manner:

- d) Telephone- the CAP agency will call the District to notify the company of the customer's eligibility.
- e) Email- The agency will sent an email to Pascoag Utility District's mailbox to notify the District of the customer's eligibility; and or
- f) Electronic- the CAP agency will submit to the District electronic eligibility files received from R.I. LIHEAP certification season (October –April)

- 1-17. When will a customer in danger of defaulting from the AMP receive a letter from the District advising him or her of the risk of default? Please provide a copy of the letter.

Response:

Please see the response in 1-13.

1-18. In referencing the electric cost recovery tariff, please confirm that the proposed incremental costs associated with the AMP, including but not limited to, the amount of arrearage forgiven and any costs associated with implementation of, evaluation of and reporting on the effectiveness and results of the AMP, are the costs that the District seeks to recover under RIGL 39-1-27.12. Additionally, please confirm that the District seeks to recover such costs through an Arrearage Management Adjustment Factor to the Distribution Adjustment Charge.

Response:

At this time the District does not anticipate a lot of participation in this program and will not seek to recover such costs through Arrearage Management Adjustment Factor (AMAF) to the Distribution Adjustment Charge. If in the future, the amount of the arrearage forgiveness and the costs associated with the implementation of, evaluation of and reporting on the effectiveness, of the AMP rise substantially we would seek approval of the Rhode Island Public Utilities Commission to recover such costs through the AMAF to the Distribution Adjustment Charge.

Any Customer  
Any Street  
Any Town, RI 028XX

Account No:  
Service Address:

**Three Month Review Letter for Arrearage Management Program**

Dear Customer:

The District has completed a three month review of your account. As a result of this review your AMP installment amount has changed due to a fuel assistance commitment, a change in usage, a significant change in the Pascoag Utility District's rates, or a change in address.

Your new monthly payment will be **\$XXX.XX** which will be reflected on your next bill.  
If you have any questions or concerns, please call the Customer Service department at (401) 568-6222.

Thank you for participating in this program!

Sincerely,

Pascoag Utility District's Customer Service Department

Any Customer  
Any Street  
Any Town, RI 028XX

Account No:  
Service Address:

### **Arrearage Management Program Completion - Balance**

Dear Customer:

The District has completed its annual review of your account. As a result of this review, we would like to congratulate you on the successful completion of a year on the Pascoag Utility District's Arrearage Management Program (AMP). We hope you found this program helpful.

This completes your AMP Payment Plan, so you are no longer on a payment plan and will be required to pay the full balance due on your current and future bills.

**Please note: If the amount of your past due balance exceeded \$1,500 at the start of your AMP payment plan, you may request an extension of your payment plan for an additional 12-month period to accommodate the remaining past due balance. Please contact the Pascoag Utility District at 1-401-568-6222 by the due date of this bill if you would like to extend your payment plan under the AMP.**

Thank you for participating in this program!

Sincerely,

Pascoag Utility District's Customer Service Department

Any Customer  
Any Street  
Any Town, RI 028XX

Account No.:  
Service Address:

### **Arrearage Management Program (AMP) Default Letter**

Dear Customer:

The District has completed a review of your account. **Your account is in danger of default.** To remain current with the payments the following conditions must be met:

- You miss no more than 2 payments in the 12-month period covered by the payment plan (Partial payments are considered missed payments);
- The total amount due under the payment plan is paid in full by the conclusion of the 12-month period of the payment plan term.

If you default under your payment plan, you will be terminated from the AMP and your account will be returned to normal collection activity, including the possibility of service termination.

If you are removed from the plan for failure to remain current with payments, you will have to wait two years to participate in the AMP program again. You will also need the recommendation from a Community Action Partnership (CAP) Agency to participate.

If you have any questions or concerns, please call the Customer Service department at (401) 568-6222.

Thank you for participating in this program!

Sincerely,

Pascoag Utility District's Customer Service Department