

**23STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION**

**IN RE: BLOCK ISLAND POWER COMPANY : DOCKET NO. 4849**  
**TARIFF ADVICE- CREDIT/DEBIT CARDS :**   
**& E-CHECKS :**

**REPORT AND ORDER**

**1. Introduction**

On July 16, 2018, the Block Island Power Company (BIPCo) filed a Tariff Advice with the Public Utilities Commission (PUC or Commission) seeking permission to amend its Tariff to permit ratepayers to pay utility bills via credit card, debit card, and e-check.<sup>1</sup> On August 3, 2018, the Division of Public Utilities and Carriers (Division) filed a memorandum averring that the Company's proposal would improve customer convenience and satisfaction and may also improve cash flow and reduce past due balances.<sup>2</sup> On August 9, 2018, the PUC approved the Company's request.

**2. BIPCo's Proposal**

BIPCo submitted prefiled testimony from Jeffrey M. Wright, its President. Mr. Wright reported that BIPCo had been implementing a comprehensive new software package issued by the National Information Solutions Cooperative (NISC). The software includes an application called SmartHub that allows customers to view usage data, sign up for outage notifications, change billing and contact information, and pay bills electronically. Available payment options in SmartHub include electronic bank transfers as well as debit and credit card payments.<sup>3</sup> Mr. Wright

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<sup>1</sup> All filings in this docket are available at the PUC offices located at 89 Jefferson Boulevard, Warwick, Rhode Island or at <http://www.ripuc.org/eventsactions/docket/4849page.html>.

<sup>2</sup> [http://www.ripuc.org/eventsactions/docket/4849-DIV-Comments\(8-2-18\).pdf](http://www.ripuc.org/eventsactions/docket/4849-DIV-Comments(8-2-18).pdf).

<sup>3</sup> Jeffrey M. Wright Test. at 2 (July 16, 2018) ; [http://www.ripuc.org/eventsactions/docket/4849-BIPCO-TariffAdvice\(7-16-18\).pdf](http://www.ripuc.org/eventsactions/docket/4849-BIPCO-TariffAdvice(7-16-18).pdf).

explained that BIPCo currently only accepts payment by cash or check, either in person at the office or by mail, but that BIPCo's customers frequently inquired about the acceptance of debit or credit cards.

Mr. Wright explained that BIPCo will utilize a third-party vendor to accept payments, so BIPCo's staff will not have access to any customer credit/debit card information. If a customer visits the office in person and desires to pay by debit or credit card,<sup>4</sup> the customer will be directed to either pay-by-phone or use the SmartHub. BIPCo's vendor, ProfitStars, is Payment Card Industry Data Security Standard compliant, to ensure customer privacy and data security.<sup>5</sup>

Mr. Wright indicated that BIPCo's proposal to accept credit/debit card payments without a fee to the customer will help improve cash flow and reduce past due balances and will, therefore, benefit all of the Company's customers. Based on statistics of other electric utility customers, provided by NISC, BIPCo estimated that monthly credit card processing fees would be less than \$1,000. ProfitStars will also process electronic checks (e-checks) at a fixed rate of \$0.20 per transaction. BIPCo estimated that the fees from e-checks should be less than \$100 per billing cycle, based on a high estimate volume of 500 transactions.<sup>6</sup> Finally, Mr. Wright indicated that BIPCo could absorb these fees without requiring a rate increase.

### **3. Division of Public Utilities and Carriers.**

The Division noted that Commission Order No. 22664, in Docket No. 3569, repealed the Commission's Rules Governing the Acceptance of Credit Cards by Utility Companies (Rules) which allowed for the payment by credit cards, but with the credit card processing fees charged to the credit card user, rather than to all ratepayers. The Commission's order stated that the effect of

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<sup>4</sup> Mastercard and Visa.

<sup>5</sup> Wright Test. at 3.

<sup>6</sup> *Id.* at 4.

repealing the Rules would neither require nor prohibit the charge of a convenience fee and that the issue of cost allocation could be reviewed in each utility's rate case, similar to other payment processing costs.<sup>7</sup> The Division found BIPCo's request to be reasonable. It agreed that adding additional payment methods would improve customer convenience and satisfaction and might also improve cash flow and reduce past balances. The Division recommended that the PUC approve BIPCo's filing.

#### **4. The Commission's Findings**

At an Open Meeting on August 9, 2018, the PUC considered the filing and commended BIPCo for investing in its new software programs. Chairperson Curran found BIPCo's proposal, which would permit utility payment via smartphone, to be an important improvement over the Company's current payment options. The PUC agreed with the Division's recommendations and unanimously approved BIPCo's requests.

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<sup>7</sup> Division memo at 1-2 (Aug. 3, 2018).

Accordingly, it is hereby

(23435) ORDERED:

BIPCo may accept credit/debit card and e-check payments as outlined in its filing.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO A BENCH  
DECISION ON AUGUST 9, 2018 WRITTEN ORDER ISSUED FEBRUARY 22, 2019.

PUBLIC UTILITIES COMMISSION



*Margaret E. Curran*

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Margaret E. Curran, Chairperson

*Marion S. Gold*

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Marion S. Gold, Commissioner

*Abigail Anthony*

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Abigail Anthony, Commissioner

**Notice of Right of Appeal:** Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within 7 days from the date of the Order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or Order.