

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

**IN RE: SUSPENSION OF SERVICE TERMINATIONS :  
AND CERTAIN COLLECTIONS ACTIVITIES : DOCKET NO. 5022  
DURING THE COVID-19 EMERGENCY :**

**ORDER  
(EXTENSION OF MARCH 16, 2020, MARCH 30, 2020, and APRIL 13, 2020 ORDERS)**

On March 9, 2020, Governor Gina Raimondo declared a state of emergency in Rhode Island as part of the State’s response to the COVID-19 virus. Subsequently, Governor Raimondo closed school buildings, closed restaurants for in-house dining, and limited public gatherings. Several municipalities were also under states of emergency with various limitations on businesses and gatherings.

On March 16, 2020, the PUC ordered all electric, natural gas, water, and sewer utilities to immediately cease certain collections activities, including termination of service for nonpayment, sending past due accounts to collections agencies, and sending termination notices with disconnection dates prior to the end of the stated period.<sup>1</sup> The order was in effect through April 14, 2020 for residential customer accounts and March 31, 2020 for nonresidential customer accounts, subject to further review. On March 30, the PUC extended the order applicable to nonresidential customer accounts through April 14, 2020, subject to further review.<sup>2</sup>

Since March 16, 2020, Governor Raimondo has issued more Executive Orders, further limiting economic activity in Rhode Island, and has continued the duration of previously issued Executive Orders. In particular, she prohibited gatherings of more than five people and ordered

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<sup>1</sup> Order No. 23786. Allowed collections activities included billing, reminder notices, entering payment plans, and other activities not prohibited by this order. Customers have been encouraged to continue to pay their bills to the extent they have the financial ability. Nonpayment results in higher balances that can become even more challenging over time. Utilities have been encouraged to offer flexible payment plans to all customers facing financial hardship, even short-term, during this time.

<sup>2</sup> Order No. 23807.

the closure of all non-essential retail businesses, including specifically all close-contact businesses as well as restaurants (for in-house dining), bars, and entertainment venues. She also ordered everyone not engaged in essential employment to stay at home. All of these restrictions were in effect until May 8, 2020.

As of May 6, 2020, Governor Raimondo has expressed her intent to permit the “stay-at-home” order to expire, allowing the commencement of the first phase of reopening the Rhode Island economy. She has, however, been very clear that this will be a phased-in reopening that will occur over several weeks or months. Public gatherings will continue to be limited; non-essential businesses will be allowed to reopen under various restrictions; and schools will remain closed through the remainder of the 2019/2020 school year, requiring the continuation of distance learning. The economic challenges facing Rhode Islanders are not likely to reverse suddenly or all at once. In the short term, there may still be a significant number of unemployed persons and companies operating at reduced levels, if even allowed to resume operating. Based on these considerations, there is no support for lifting the moratorium on service terminations for nonpayment at this time.

The PUC has reviewed comments received from interested stakeholders, including the Center for Justice on behalf of the George Wiley Center, the Division of Public Utilities and Carriers, Representative Cicilline, and members of the public. The comments unanimously supported continuing the moratorium on service terminations at this time. Several commenters suggested the PUC enact a permanent moratorium on service terminations for various types of customers. Many others proposed a moratorium on service terminations through some period of time after the state of emergency is lifted. Several also suggested the PUC use this as an opportunity to implement a percentage-of-income payment plan (PIPP). Because the proposals

appear to seek things beyond the PUC's statutory emergency powers, which allow only orders of limited and temporary duration, the PUC declines to address these proposals in the current docket.

The PUC is aware that customers who are not paying their bills have growing balances that may be impossible to pay off immediately if and when such customers return to work. For this reason, the PUC encourages all customers with the means to pay their current balances or something toward their balances, to do so in order to avoid further financial strain. This not only assists customers in the long run, it also helps utilities to maintain the financial health necessary to allow them to provide continuing safe and reliable service. Financial stability of the utilities allows the PUC to remain flexible in its decisions on service terminations.

Going forward, the PUC will be exploring ways to phase in full collections activities while ensuring the utilities are working to assist customers in meeting their financial obligations as the Governor reopens the economy. Toward those ends, the PUC has been gathering financial information from the utilities about the impact of our previous orders. While many utilities are experiencing lower collections than during the same time in prior years, they are not yet experiencing difficulties in meeting their own financial obligations as a result of the decline in residential and nonresidential collections.

National Grid, in recent comments it provided, suggested the PUC open a new docket to invite and consider certain ratemaking and other regulatory mechanisms related to COVID-19 expenses. The company requests actions well beyond the scope of an emergency order. Any regulated utility in need of emergency rate relief may file for such through the normal petition or rate filing process under the PUC's procedural rules.

Based on consideration of all current economic circumstances and health considerations, pursuant to R.I. Gen. Laws § 39-1-32(a), the PUC finds that public safety requires the continuation

of the March 16, 2020, March 30, 2020, and April 13, 2020 orders, of temporary duration, to protect the welfare of the people through May 31, 2020.<sup>3</sup> The PUC will review this order on May 28, 2020, to determine if it should be extended or modified as to all customers. At that time, there may be some utilities that are ready to re-engage in full collections activities. While full collections activities ordinarily include termination of service, utility shutoff should always be the last resort and should not happen for any customer immediately upon the PUC lifting any of its emergency moratorium orders. Therefore, the PUC expects that the utilities will have adequate plans in place for resumption of collection activities, including sensible and flexible payment arrangements for customers.

The PUC recognizes that this is not a one-size-fits-all situation. Each utility is uniquely situated to best communicate with and assist its particular customers. To that end, the regulated utilities are directed to, by May 15, 2020, provide to the Division, with a copy to the PUC, their plans for recommencing collections. The plans should include outreach activities by which the utility shall remind customers of overdue balances, encourage customers to communicate with the utility, and offer sensible and flexible payment arrangements.

There are likely more individuals who may have arrearage balances than in a typical month as a result of COVID-19 unemployment or serious illness. Utilities subject to the PUC's Rules and Regulations Governing the Termination of Residential Electric, Natural Gas, and Water Utility Service, are reminded that both temporary unemployment and serious illness allow for certain protections. Plans submitted to the Division and PUC should include how the utility will address

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<sup>3</sup> R.I. Gen. Laws § 39-1-32(a) states: Any general or public law notwithstanding, the commission, when it determines that public safety so requires, or that failure to act immediately will result in irreparable injury to the public interest, or that an emergency exists in the financial affairs of a public utility which, if not met immediately, will interfere with the accommodations, convenience, and welfare of the people, may issue an order effective immediately, but for temporary duration, until formal notice be given and a hearing had of the parties in interest.

customers in these situations. Additionally, plans should explain how the utility will be ready to meet higher call volumes, particularly utilities using independent contractors for such services.

The PUC requests that, on or before May 22, 2020, the Division submit to the PUC the results of their review of the individual utility's plans with any additional recommendations. The PUC is specifically interested in the following: (1) whether the utility has adequate resources in place to commence full collections activities; (2) whether the utility has plans in place to provide appropriate and adequate outreach to its customers about the availability of payment arrangements; (3) whether the utility has plans in place to offer sensible and flexible payment arrangements; (4) whether the utility has plans in place to manage its own collections practices, with intervention by or support from the Division only as a last resort; and (5) any other recommendations the Division believes appropriate. If, for example, a utility's plan includes activities that would require a tariff waiver (e.g., processing fee-free payments where a convenience fee is otherwise passed through to customers) that should be addressed and the Division should indicate whether it would or would not recommend the necessary waiver.

The PUC wants to make clear that it neither expects nor intends to encourage the Division to create or prepare plans for the utilities. The utilities should come up with their own plans, whether based on previously tested or newly devised ways to address the unique situations they face. And the plans need not be fully developed in operational detail at this point. They are just an indication of how the utilities are preparing to meet the gradual return to regular collections. They may, for example, include possible creation and adoption of new payment arrangements. In reviewing the plans, the Division should not determine whether it would approve or deny specific components. It need only assess them and provide appropriate recommendations to the PUC.

Clearly, no plan that begins with the sending out of termination notices will be deemed reasonable. The first steps must involve significant and sustained customer outreach. For customers not already engaged with the utility, there must be opportunities for customers to contact the utility and be offered payment arrangements. The goal of lifting the moratorium on shutoffs is not service termination; it is enrolling customers in payment plans.

As the Governor phases in the reopening of the Rhode Island economy and business are allowed to reopen, the time will come when the phasing in of all collections activities will commence. The PUC intends, to the extent possible, to follow the Governor's lead in the phasing in of economic activity. The PUC is also cognizant of residents' needs during online learning. While the emergency orders were initiated broadly and without exception, the phasing out of the protections will be incremental and will likely differentiate among customers. Protections for commercial customers, for example, will likely be lifted before those for any residential customers.

Prior to May 28, 2020, the PUC will seek comment on the following: (1) whether a moratorium on service terminations should continue for all categories of customers e.g., non-residential, standard customers, and protected customers); (2) whether there should be a lifting of the moratorium for a particular category of customer; and (3) the appropriate duration of any extension of a moratorium on service terminations. Stakeholders are cautioned to remember that these orders are authorized by a strictly worded statute that allows only for orders of temporary duration and that respond to an existing threat of harm to people or irreparable injury to the public interest. This is not the appropriate forum to consider chronic situations.

In making the PUC's determination on whether to further extend or modify this order, consideration will be given to whether the State of Rhode Island is still under a state of emergency; the then-current phase of economic reopening; whether businesses are open; whether collections

have significantly impaired or are likely to impair the ability of the utilities, particularly non-investor-owned utilities, to meet financial obligations; whether the utilities have plans in place to provide sensible and flexible payment arrangements to customers affected by COVID-19, among any other information made available to the PUC, such as plans announced by the Governor for re-opening Rhode Island's businesses.

Accordingly, it is hereby,

(23826) ORDERED:

1. Pursuant to R.I. Gen. Laws § 39-1-32(a), public safety requires the continuation of the March 16, 2020, March 30, 2020, and April 13, 2020 orders, of temporary duration, to protect the welfare of the people.
2. Effective through May 31, 2020, all electric, natural gas, water, and sewer utilities shall continue the cessation of certain collections activities, as set forth herein, including termination of service for nonpayment.
3. The PUC invites public comment to be submitted by May 26, 2020 on (1) whether a moratorium on service terminations should continue for all categories of customers (non-residential, standard customers, protected customers); (2) whether there should be a lifting of the moratorium for a category of customer; and (3) the appropriate duration of any extension of a moratorium on service terminations.
4. The utilities should provide the following information by May 22, 2020: (1) Have collections dropped off for residential and nonresidential customers over the past eight weeks compared to prior months and prior years? (2) If so, please quantify the extent of the reduction. (3) What effect has any such reduction had on the utility's cash flow? (4) Has the utility been unable to meet any obligations, or does

it expect to be unable to meet any financial obligations in the next two weeks if it cannot commence termination of service as a collections option? (5) Provide any information on plans for termination of service for nonpayment absent an extension of this order. (6) National Grid shall provide the percentage of collections by rate class for the period commencing March 16, 2020.

5. On or before May 15, 2020, the regulated utilities shall submit to the Division of Public Utilities and Carriers, with a copy to the Public Utilities Commission, their respective plans for commencing full collections activities, consistent with this order.
6. On or before May 22, 2020, the Division of Public Utilities and Carriers shall submit to the Public Utilities Commission the results of its review of each utility's plans for commencing full collections activities and make any recommendations necessary for the Public Utilities Commission's consideration.
7. Public Comment can be submitted to Luly Massaro, Commission Clerk, online at [luly.massaro@puc.ri.gov](mailto:luly.massaro@puc.ri.gov) or physically delivered to 89 Jefferson Boulevard, Warwick, Rhode Island 02888.

EFFECTIVE AT WARWICK, RHODE ISLAND, ON MAY 8, 2020, PURSUANT TO AN OPEN MEETING DECISION ON MAY 6, 2020. WRITTEN ORDER ISSUED ON MAY 8, 2020.

PUBLIC UTILITIES COMMISSION



Margaret E. Curran, Chairperson

Marion S. Gold, Commissioner

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 seven (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.