

**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, APRIL 13, 2020, and
MAY 6, 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.¹ 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. On April 13, 2020 and May 6, 2020, the PUC extended the emergency orders through May 31, 2020, subject to

¹ Order No. 23786. The order allowed collections activities included billing, reminder notices, entering payment plans, and other activities not prohibited by the order. It encouraged customers to continue to pay their bills to the extent they have the financial ability, noting that nonpayment results in higher balances that can become even more challenging over time. It also directed utilities to offer flexible payment plans to all customers facing financial hardship, even short-term, during this time.

further review and directed the utilities to file collections plans for Division of Public Utilities and Carriers (Division) review prior to a May 28, 2020 review.²

The State of Rhode Island will resume economic activity under a phased approach. On May 9, 2020, the “stay-at-home” order was lifted, and certain businesses were allowed to reopen, but with several restrictions. Since May 8, 2020, Governor Raimondo has extended many of her Executive Orders limiting certain economic activities and requiring certain restrictions on public gatherings. On June 1, 2020, the state will enter phase 2 of the reopening of the economy. Most businesses will be allowed to reopen, but with restrictions relative to physical distancing. Public gatherings will continue to be limited; more 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. Even with the relaxing of certain restrictions and opening of more businesses, 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 as well as companies operating at reduced levels. 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 and the Division. The George Wiley Center advocated for the continuation of the emergency order through July 31, 2020. The Division indicated that it had reviewed the utilities’ collections plans and found that they complied with the PUC’s prior order requiring that they include outreach and sensible and flexible payment plan options. The Division did not object to the continuation of the moratorium.

² Order No. 23826 (May 8, 2020).

The PUC is aware that customers who are not paying their bills have growing balances that may be impossible to pay off immediately when such customers return to work. For this reason, the PUC encourages all customers with the means to pay their current balances, in full or in part, 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.

The PUC has been gathering financial information from the utilities about the impact of our previous orders. Many utilities are experiencing lower collections than during the same time period in prior years. For the most part, they are not yet experiencing difficulties in meeting their own financial obligations as a result of the decline in residential and nonresidential collections.³ A number of the utilities, however, have begun to defer discretionary expenses and, more concerning, certain capital and infrastructure investment in order to manage their budgets. While these are important management actions, these short-term deferrals could result in increased expenses in the longer term. Rhode Island's utilities have aging infrastructure that needs to be maintained for safety and reliability.

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; April 13, 2020; and May 6, 2020 orders, of temporary duration, to protect the welfare of the people through July 17, 2020.⁴ The PUC clarifies that it

³ Narragansett Bay Commission advised that it has not been able to fund certain restricted accounts.

⁴ 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.

intended, through the extension of the prior orders, to include the modification it made to the Arrearage Management Plan (AMP). Thus, effective March 16, 2020, a customer enrolled in an AMP who misses their third payment in their current twelve-month period through July 17, 2020 will not be disenrolled unless they miss another payment in the same twelve-month period.

In addition, customers who meet eligibility requirements for the Arrearage Management Plan, who would otherwise be scheduled for termination but for the PUC's emergency orders in Docket No. 5022, may be enrolled in the AMP without the need for the electric distribution company to send a termination notice. Eligibility for the AMP requires a customer to either be without service or facing a scheduled termination of service.⁵ National Grid uses the termination notice to identify an account as eligible for the AMP.⁶ The PUC finds that under the current circumstances where the PUC has extended the moratorium, the sending of a termination notice, even for purposes of triggering AMP eligibility, would be confusing to customers. The termination notice advises the customer of an impending termination and encourages that customer to contact the utility. It also indicates to the utility that the customer is eligible for this type of payment plan. The PUC finds that the sending of a termination notice is an administrative requirement rather than a statutory requirement. The AMP is the most advantageous payment arrangement currently available to customers; the PUC's orders should not prohibit customers from enrolling in these payment plans. The electric distribution companies should, therefore, implement a different mechanism to identify customers who would, under normal circumstances, be issued a termination notice and thereby become eligible for enrollment in the AMP. These customers should be offered the AMP when they contact the utility to make payment arrangements.

⁵ R.I. Gen. Laws § 39-2-1(d)(2).

⁶ Tariff RIPUC No. 2216 and Tariff RIPUC NG-GAS 101, Section 7.

The PUC will review this order on July 13, 2020. At that time, the PUC may allow the moratorium to expire for certain classes of customers based on then-current information. In the meantime, the utilities are directed to begin implementing, to the extent not already started, then collections plans they filed with the Division and PUC on or about May 15, 2020. While the utilities may not commence termination procedures, they should be conducting full outreach and education with the intent of enrolling customers who have arrearages into payment plans. The PUC will be sending out additional data requests for reporting requirements necessary to better evaluate the emergency order in July.

The PUC also directed all regulated utilities to temporarily suspend late fees, interest charges, credit card fees, debit card fees, and ACH fees. The PUC will reevaluate this decision in September 2020. Each utility that ordinarily charges late fees, interest charges, or passes through credit card, debit card, or ACH fees to the customer should track all such expenses not collected and those absorbed by the utility that are not included in the utility's revenue requirement for later review by the PUC. The PUC noted that this was a recommendation of the Division and that several utilities have either already received waivers from their tariff provisions or are considering such measures. However, the utilities' revenue requirements either assume a certain level of revenue from late fees or interest charges or exclude the cost of credit card (including debit card) and/or ACH transactional costs. Therefore, it would be unfair to, through this order, simply disallow recovery of these costs (lost revenues).

Prior to July 13, 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 the instant 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 determining whether to further extend or modify this order, the PUC will consider whether the State of Rhode Island is still under a state of emergency; the then-current phase of economic reopening; whether businesses are open; and whether collections have significantly impaired or are likely to impair the ability of the utilities, particularly non-investor-owned utilities, to meet financial obligations, among any other relevant information made available to the PUC. The moratorium cannot continue indefinitely. The Governor is reopening the economy and, as economic activity increases, so too should customer payments and utility collections. While termination of service should always be a last resort, termination notices may be necessary to prompt those who can pay to take action to contact the utility. A moratorium on service terminations is not a moratorium on payments. The charges are still the responsibility of the customer. Moratoria on service terminations can create a false sense of security that the bill does not need to be paid. If this causes a customer not to pay their bill, the balance owed to the utility may become more difficult to manage in the future.

Accordingly, it is hereby,

(23836) 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, April 13, 2020, and May 8, 2020 orders, of temporary duration to protect the welfare of the people.

2. Effective through July 17, 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. Effective March 16, 2020, a customer enrolled in an AMP who misses their third payment in their current twelve-month period through July 17, 2020 will not be disenrolled unless they miss another payment in the same twelve-month period.
4. Customers who meet eligibility requirements for the Arrearage Management Plan, who would otherwise be scheduled for termination but for the PUC's emergency orders in Docket No. 5022, may be enrolled in the AMP without the need for the electric distribution company to send a termination notice
5. Utilities subject to this order shall temporarily suspend late fees, interest charges, credit card fees, debit card fees, and ACH fees. Each utility that ordinarily charges late fees, interest charges, or passes through credit card, debit card, or ACH fees to the customer should track all such expenses not collected and those absorbed by the utility that are not included in the utility's revenue requirement for later review by the PUC. This portion of the order will be reviewed in September 2020.
6. The PUC invites public comment to be submitted by July 7, 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.
7. The utilities should provide the following information by July 6, 2020: (1) Have collections dropped off for residential and nonresidential customers over the past

fifteen 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.

8. Public Comment can be submitted to Luly Massaro, Commission Clerk, online at luly.massaro@puc.ri.gov or physically delivered to 89 Jefferson Boulevard, Warwick, Rhode Island 02888.

EFFECTIVE AT WARWICK, RHODE ISLAND, ON JUNE 1, 2020
PURSUANT TO AN OPEN MEETING DECISION ON MAY 28, 2020. WRITTEN
ORDER ISSUED JUNE 2, 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.