

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

IN RE: REQUESTS FOR WAIVER FROM :  
TERMINATION OF SERVICE PAYMENT :  
PLANS BY PAWTUCKET WATER : DOCKET NOS. 1725, 3423  
SUPPLY BOARD, PROVIDENCE WATER :  
SUPPLY BOARD AND PRUDENCE ISLAND :  
UTILITY CORPORATION :

ORDER

WHEREAS, On April 9, 2002, the Commission, in Docket No. 3423, adopted new Rules and Regulations Governing the Termination of Residential Electric, Gas and Water Utility Service (“Termination Rules”) for effect on May 1, 2002.

WHEREAS, The Termination Rules mandate new payment plans for residential utility customers who are carrying unpaid balances on their accounts.

WHEREAS, Part IV, Section 4 of the Termination Rules provides regulated water utilities with the opportunity to receive a waiver from the new residential payment plans, provided “they provide the Commission with evidence that they have a procedure in place to provide reasonable payment plans to customers carrying an unpaid balance.”

WHEREAS, On May 30, 2002, Providence Water Supply Board filed its Motion for a Waiver. On June 20, 2002, Commission Counsel provided a copy of the Motion, Providence Water Supply Board’s Procedures regarding availability of residential payment plans, and Notice to those listed on the Service List<sup>1</sup> that Commission Rule of Practice and Procedure 1.15(d) provides 10 days for the parties to object to motions. Ten (10) days passed with no objection filed.

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<sup>1</sup> The Docket adopted the service list from Docket 1725 in Docket 3423. Docket 3423 was set up to promulgate new Termination Rules. The pre-existing Docket 1725 was kept open for purposes of issues relating to compliance with the Termination Rules.

WHEREAS, Providence Water Supply Board's Procedures, filed with the Commission, indicate that prior to shutoff, 1/3 of a customer's outstanding balance is due at time a customer enters into payment plan. The customer then has two months to repay the remaining balance. After termination of service, 50% of a customer's unpaid balance is due at the time a customer enters into a payment plan. The customer then has three months to repay the remaining balance. Requests for more lenient terms of payment plans are provided for in Providence Water Supply Board's Procedures.

WHEREAS, On June 26, 2002, Prudence Island Utilities Corporation ("PIUC") filed its Motion for a Waiver and noticed the service list. More than 10 days passed with no objection filed.

WHEREAS, in its Motion, PIUC indicated that its procedures regarding termination and the availability of payments plans are contained in its Terms and Conditions, as filed with the Commission in 1995. PIUC notes that it is unique in that it charges customers a flat yearly rate that can easily be budgeted for. Second, PIUC is unique in that it has a moratorium on new service hookups and if a customer is suspended from service, he or she is put at the bottom of the waiting list. PIUC maintained that avoiding this demotion provides an added incentive to a customer to pay a bill. PIUC allows 120 days to pay a bill before termination occurs. A customer then has eight months to pay in full, for a total of a year from the billing date to suspension of service where the customer is placed on the waiting list for hookups.

WHEREAS, On July 1, 2002, Pawtucket Water Supply Board filed a Motion requesting a waiver and noticed the service list. More than 10 days passed with no objection filed.

WHEREAS, Pawtucket Water Supply Board's Procedures, filed with the Commission in the form of a Memorandum, indicated that it has provisions for payment plans for residential customers both prior to and after service termination for non-payment. According to its Memorandum, the initial down payment is based on a customer's ability to pay on a case-by-case basis, the remaining balance to be paid over three months. Pawtucket Water Supply Board requires a customer to enter into a written payment plan agreement.

WHEREAS, the Commission finds that Pawtucket Water Supply Board, Providence Water Supply Board and Prudence Island Utilities Corporation have demonstrated that they make reasonable residential payment plans available to their residential utility customers in accordance with Part IV, Section 4 of the Termination Rules. Therefore, the Commission grants each of these utilities a waiver from compliance with Part V of the Termination Rules.

Accordingly, it is

(17107) ORDERED:

1. Pawtucket Water Supply Board's Request for a Waiver from the Termination Rules is hereby granted. Pawtucket Water Supply Board must file any future changes in its policies concerning payment plans with the Commission.
2. Providence Water Supply Board's Request for a Waiver from the Termination Rules is hereby granted. Providence Water Supply Board must file any future changes in its policies concerning payment plans with the Commission.

3. Prudence Island Utility Corporation's Request for a Waiver from the Termination Rules is hereby granted. Prudence Island Utilities Corporation must file any future changes in its policies concerning payment plans with the Commission.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO AN OPEN MEETING DECISION ON JULY 18, 2002. WRITTEN ORDER ISSUED AUGUST 20, 2002.

PUBLIC UTILITIES COMMISSION

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Elia Germani, Chairman

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Kate F. Racine, Commissioner

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Brenda K. Gaynor, Commissioner