STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

DIVISION OF PUBLIC UTILITIES AND CARRIERS
89 Jefferson Boulevard
Warwick, R.I. 02888
(401) 941-4500

FAX (401) 941-9207
TDD (401) 941-4500

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Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

In Re: Response to October 23, 2017 George Wiley Center Petition

Dear Honorable Commissioners:

On October 23, 2017, the George Wiley Center ("Wiley Center") filed a petition with the Rhode Island Public Utilities Commission ("Commission") seeking an "emergency regulation to allow affordable restoration of utility service for Rhode Islanders whose gas and electric service has been terminated." Specifically, the Wiley Center suggests "that residential utility customers be allowed to restore service with 10% down payment of the total owed and an agreement for the remaining balance to be repaid over 18 to 36 months." The Wiley Center also suggests that the Commission drop a previously Commission-adopted eligibility requirement "that consumers' past due amounts are less than last year."

The Rhode Island Division of Public Utilities and Carriers ("Division") believes that the Wiley Center's proposal, may not, if approved by the Commission, provide superior relief than the relief currently available under the new Division payment plan protocols. In support of this position, the Division relies on the multitude of steps that have been taken by the Division in 2017 to expand opportunities for income eligible gas and electric customers to enter into more affordable payment plans, which has resulted in fewer service shutoffs. The Division maintains that its endeavors for averting service terminations for income eligible and "protected" utility customers represents the most effective approach to minimizing utility service shutoffs, which cause severe hardship for our most vulnerable citizens.

Under Rule VI (7) of the Commission's "Rules and Regulations Governing the Termination of Residential Electric, Gas and Water Utility Service" ("Termination Rules"), the Division is authorized to consider the customer's "special circumstances" when determining a proper payment plan. In 2017, the Division adopted a more liberal application of this "special circumstances" provision, and in so doing, has routinely accepted payment plans requiring down payments of as little as 15%. The Division has also extended the term for arrearage payments up to 36 months from the normally prescribed term of 12 months in concert with a 12-month budget plan for future usage. Typical payment plans are represented below:

For a customer owing less than $1000:

- 15% down payment; must pay each month for 12 months the sum of 1/12 of the estimated prospective average annual utility cost (less the estimated annual payment from any public energy assistance programs) + 1/18 of the customer's unpaid balance over a period of 18 months.

For a customer owing between $1000 and $2499:

- 15% down payment; must pay each month for 12 months the sum of 1/12 of the estimated prospective average annual utility cost (less the estimated annual payment from any public energy assistance programs) + 1/24 of the customer's unpaid balance over a period of 24 months.

For a customer owing $2500 or more:

- 15% down payment; must pay each month for 12 months the sum of 1/12 of the estimated prospective average annual utility cost (less the estimated annual payment from any public energy assistance programs) + 1/36 of the customer's unpaid balance over a period of 36 months.

In addition to the adoption of such 15% down-payment and up to 36-month payment plans, the Division has aggressively endeavored to educate income-eligible customers about the various resources available to assist "protected" customers in locating financial assistance to help with paying their utility bills. This new outreach program directs customers to Community Action (CAP) Agencies and charitable organizations for financial assistance and further provides instruction on how to apply for discounted utility rates. Through the Division's efforts, the number of "informal reviews" and "formal hearings" conducted under the Commission's Termination Rules have been significantly reduced, evidencing proof of the success of the Division's efforts to liberalize payment plans and minimize utility service shut-offs. To quantify the results, the Division notes that in 2017 its consumer agents conducted about 300 "informal reviews" compared to the over 700 "informal reviews" normally conducted in a typical calendar year. And, further, compared to the nearly 150 formal evidentiary hearings (appeals) the Division routinely conducts annually, only one formal hearing has been necessary to date in 2017 wherein the customer was seeking a more lenient payment plan.

Finally, the Division now offers customers <u>facing</u> a termination notice to remain active for additional time [60 days] in lieu of an ultimate termination at the informal hearing process in a concerted to effort to allow customers additional time to garner the 15% down-payment to avoid termination while engaging in a payment-plan.

Our goal with these policy changes is to fundamentally reform our collection and termination practices, and in doing so, to render unnecessary future emergency regulations aimed at adjusting these practices. We believe we have made significant progress towards that goal in the last 12 months, and that the commission should consider that progress before making a final decision.

Respectfully,

Macky McCleary
Administrator