



October 29, 2018

Ms. Luly Massaro, Clerk
Public Utilities Commission
89 Jefferson Boulevard Warwick, Rhode Island 02888

Re: Response to October 9, 2018 George Wiley Center Petition

Dear Ms. Massaro

On October 9, 2018, 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."

In response to the Wiley Center petition, the Rhode Island Division of Public Utilities and Carriers ("Division") calls the Commission's attention to Order No. 22967, issued on November 27, 2017, wherein the Commission addressed an identical petition from the Wiley Center in 2017. In approving in part, and denying in part, the Wiley Center petition, the Commission held as follows:

The PUC will continue to include the conditions on participation in the plan because the conditions are designed to control the continued growth of large arrearages. The conditions attempt to balance the interest of all ratepayers by allowing those without service a more affordable down payment than would otherwise be required for while reducing other ratepayers' exposure to higher rates from potentially larger write-offs.¹

Predicated on this finding, in 2017, the Commission adopted the following emergency measures:

From November 21, 2017 through December 31, 2017, any residential customer whose utility service has been terminated by National Grid for non-payment or who has a Termination date scheduled will be entitled to have such service restored by National Grid upon satisfaction of two of the following conditions:

(a) for a customer owing less than \$1000, 10% of the balance owed must be paid and the remainder of that balance must be paid

¹ Order No. 22967, p. 3.

within 18 months;

(b) for a customer owing at least \$1000 but less than \$2500, 10% of the balance owed must be paid and the remainder of that balance must be paid within 24 months;

(c) for a customer owing \$2500 or more, 10% of the balance owed must be paid and the remainder of that balance must be paid within 36 months unless the Company chooses to extend such time period;

(d) to participate in a payment plan under this Order, as per, Part V, Section 4(G) of the Rules, the customer either (1) did not participate in one of the plans listed in a prior year or (2) did participate and currently has a balance due on his or her account that is the same or less than the balance that customer had upon enrollment in the prior year plan listed in the Rules, or (3) did participate last year and currently has a higher balance but makes an additional down payment to bring the current balance down to or below the balance at enrollment last year.

In addition to the down payments specified above, customers must pay current bills within the time period allowed by National Grid. A formal commitment to receive funds from any social service agency by December 31, 2017 for all or part of the additional down payment shall be considered compliance with the provisions of the Rules, provided that the customer has satisfied the other conditions set forth above.²

The Division has no objection if the Commission enters a similar emergency measure for the period up to December 31, 2018. The Division agrees with the Commission's 2017 conclusion that without some limitations in time and scope as to the petition's request for relief, the operations of National Grid in Rhode Island could be adversely impacted to the detriment of all ratepayers.

In further support of its recommendation to the Commission, the Division notes that its adoption of new payment plan protocols in 2017 has provided income-eligible ratepayers with additional remedial relief. Specifically, the Division has recently expanded 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:

² Id., pp. 4-5.

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 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 was necessary in 2017 wherein the customer was seeking a more lenient payment plan.

Finally, the Division sponsored the Docket 4770 Settlement Agreement component that includes a major increase in the discount afforded to Rhode Island's income eligible electricity and gas customers. The provision of a 25% discount on the total bill, rather than just the distribution bill, represents the Division's regulatory commitment to ease the burden on income eligible customers.

Respectfully submitted,



Macky McCleary