

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: REGULATIONS GOVERNING :
TERMINATION OF RESIDENTIAL : Docket No. 1725
ELECTRIC, GAS AND WATER :
UTILITY SERVICE :

REPORT

This matter came before the Rhode Island Public Utilities Commission (“PUC”) on a request from the Honorable Gordon D. Fox, Speaker of the Rhode Island House of Representatives, received on November 19, 2013, for “renewal of the [PUC’s] previously adopted emergency regulations to restore gas and electric services to both protected and standard gas and electric utility customers”, referencing the PUC’s Rules and Regulations Governing the Termination of Residential Electric, Gas and Water Utility Service (“Termination Rules”). Speaker Fox’s letter suggested allowing customers to restore or avoid an impending termination of electric or natural gas service by making a down payment of 10% of the arrearage rather than the amount that would be required of the customer under the Termination Rules.¹ On behalf of the leadership of the House of Representatives, Speaker Fox requested the Commission amend the Termination Rules on a temporary basis through the end of 2013. Speaker Fox cited a “still stagnant economy” as a basis for passage of emergency rules.²

After a review of the request, the PUC scheduled an Open Meeting for November 29, 2013 to consider the request. In its Open Meeting Notice, the PUC stated that the purpose of the Open Meeting was to:

Review and Rule on whether an emergency exists such that the Public Utilities Commission should promulgate emergency rules to be implemented immediately to

¹ General Assembly letter dated 11/14/13, signed by House Speaker Gordon Fox.

² General Assembly letter.

reduce payment plans required by customers whose service has been terminated or who have a termination date scheduled. Specifically, the Commission will consider whether the following emergency rule should be promulgated under R.I. Gen. Laws § 42-35-3(b) to amend Part V, Section 4 of the Termination Rules as follows:

From November 29, 2013 through December 31, 2013, 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, 20% of the balance owed must be paid and the remainder of that balance must be paid within 18 months;
- (b) for a customer owing at least \$1000 but less than \$2500, 15% 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) the customer requesting a payment plan under this provision, Part V, Section 4(G), either did not participate in one of the plans listed in Part V, Section 4(G)(a)-(c) in a prior year or did participate and currently has a balance due on his or her account that is the same or less than that customer had upon enrollment in a prior year plan listed in Part V, Section 4(G)(a)-(c).

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, 2013 for either all or part of the down payment required above shall be considered as compliance with the provisions of this rule provided that customer has satisfied the other conditions set forth above.³

Prior to the Open Meeting, the PUC received comments from Maggi Rogers, a private citizen and low income advocate. She expressed concern with the limitation included in proposed Part V, Section 4(d), whereby a customer who may have participated in the past would be precluded from participation in 2013 if the customer's current balance is higher than the initial balance was when the customer initially participated in a prior year's plan.⁴ In particular, she expressed concern that a customer who might have a balance only ten or fifteen dollars higher than the balance that

³ Open Meeting Notice dated November 27, 2013.

customer owed upon enrollment in a payment plan in some prior year would, nevertheless, be completely barred from participation. She argued that removing the disqualification would conserve low income home energy assistance plan (“LIHEAP”) funds by allowing lower down payments, making more funds available for customers with non-regulated heating fuel sources. She proposed complete elimination of the limitation in Part V, Section 4(d).⁵

Commission Findings

At an open meeting conducted on November 29, 2013, after consideration and deliberation, the PUC found there exists an imminent peril to public health, safety, and welfare because the cold weather has descended on Rhode Island earlier and harsher than usual and because there are continuing economic problems in Rhode Island that have been exacerbated by the federal “sequestration.”⁶ Accordingly, the PUC finds it is necessary to adopt emergency regulations to address the imminent peril to public health, safety, and welfare by lowering the amount of funds needed for customers to have service restored. Furthermore, as noted by Speaker Fox, the still-stagnant economy in Rhode Island means that customers not eligible for LIHEAP funds may also be facing challenges in restoring their heating service. Therefore, the PUC will extend the emergency regulations to all customers, with certain conditions.

The limitations on participation in the plan are designed to control the continued growth of large arrearages. In each of the past years, this was done simply by barring participation where a customer had participated in the past and was again attempting to

⁴ Part V, Section 4(a)-(d).

⁵ Letter from Maggi Rogers, dated November 27, 2013.

participate, but with a balance higher than the starting balance at the time of that prior participation. However, Ms. Rogers raised an important point that given the reduced LIHEAP aid that may be available to Rhode Islanders because of sequestration, it is necessary to preserve LIHEAP funds. Preserving them in the area of regulated heating sources should be a priority of the PUC given the availability of the LIHEAP Enhancement Fund, paid for by all ratepayers of The Narragansett Electric Company d/b/a National Grid. This fund provides an additional grant to all recipients of LIHEAP grants. Therefore, the PUC hereby modifies the limitation on participation to the extent that where a customer makes an additional down payment sufficient to bring his or her current account balance to the level equal to the starting balance when the customer previously participated, that customer may be eligible for the emergency plan at the level he or she would qualify.

Therefore, the Commission voted unanimously to adopt the following emergency regulation:

From November 29, 2013 through December 31, 2013, 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, 20% of the balance owed must be paid and the remainder of that balance must be paid within 18 months;

⁶ Paul Edward Parker, *Heating Program Cut Back*, PROVIDENCE JOURNAL, November 6, 2013, at A1. Philip Marcelo, *State to Roll Out Training Programs in New Year*, PROVIDENCE JOURNAL, November 29,

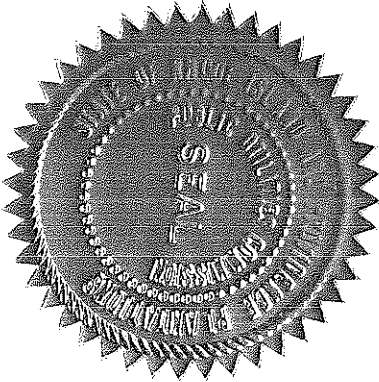
- (b) for a customer owing at least \$1000 but less than \$2500, 15% of the balance owed must be paid and the remainder of that balance must be paid within 24 months;
- (c) for a customer owing \$2500 or more, 10% of the balance owed must be paid and the remainder of that balance must be paid within 36 months unless the Company chooses to extend such time period;
- (d) the customer requesting a payment plan under this provision, Part V, Section 4(G), either did not participate in one of the plans listed in Part V, Section 4(G)(a)-(c) in a prior year or did participate and currently has a balance due on his or her account that is the same or less than that customer had upon enrollment in a prior year plan listed in Part V, Section 4(G)(a)-(c), unless the customer makes an additional down payment sufficient to bring the customer's balance to the level equal to or less than the starting balance when the customer previously participated.

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, 2013 for either all or part of the down payment required above shall be considered as compliance with the provisions of this rule provided that the customer has satisfied the other conditions set forth above.

(21266)

EFFECTIVE AT WARWICK, RHODE ISLAND, ON NOVEMBER 29, 2013
PURSUANT TO AN OPEN MEETING DECISION ON NOVEMBER 29, 2013.
WRITTEN ORDER ISSUED ON NOVEMBER 29, 2013.

PUBLIC UTILITIES COMMISSION



Margaret E. Curran, Chairperson

Paul J. Roberti, Commissioner

Herbert F. DeSimone, Jr., Commissioner