

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

IN RE: PASCOAG'S REQUEST FOR WAIVER : DOCKET NO. 3569  
FROM THE COMMISSION'S CREDIT :  
CARD REGULATIONS :

ORDER

On February 15, 2007, the Pascoag Utility District ("Pascoag") filed a request for reconsideration of the Rhode Island Public Utilities Commission's ("Commission") decision to require credit card charges associated with a utility payment be borne by the customer making a utility payment through a credit card.<sup>1</sup> Pascoag indicated that it was notified by Visa/MasterCard that an assessment to the card holder of the charge to make a utility payment through a credit card violates Visa/MasterCard's Terms and Conditions. Pascoag stated that credit card acceptance is a very worthwhile policy. Also, Pascoag asserted that small amounts associated with these transactions is justifiable because this method of payment avoids utility service termination for non-payment.

At an open meeting on February 28, 2007, a majority of the Commission denied Pascoag's request of a waiver from the Commission's Credit Card Regulations. The Commission has determined that "it is in the best interest of all ratepayers to assess responsibility for the credit card fee to the cost causer, the user of the credit card."<sup>2</sup> Pascoag has failed to make any argument to cause this Commission to waver from this principle. Payment through a credit card is discretionary. By not using a credit card, the customer can avoid paying any credit card fees when he or she makes a utility payment. Furthermore, there is no evidence that credit card usage for utility payments is

---

<sup>1</sup> See Order No. 17993, which adopted Rules Covering the Acceptance of Credit Cards by Utility Companies. ("Credit Card Regulations")

<sup>2</sup> Id.

widespread among ratepayers or has any clear benefit to all ratepayers. In fact, in Pascoag, for the last few months, less than two dozen customers used a credit card to make a utility payment, which is less than one percent of all its customers. Pascoag can either cease accepting credit cards, work with National Grid and utilize National Grid's vendor for accepting payments by credit card, or select a new vendor that will allow them to comply with the Commission's regulations. Although the credit card fees may be small, the principal of requiring the cost causer to bear the cost he or she creates is significant. Since the costs are clear, real and calculable, this principle should not be waived unless there is a clear, real and calculable benefit to all ratepayers.

Accordingly, it is

(18905) ORDERED:

1. The request of the Pascoag Utility District filed on February 15, 2007 is denied.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO AN OPEN MEETING ON FEBRUARY 28, 2007. WRITTEN ORDER ISSUED MARCH 19, 2007.

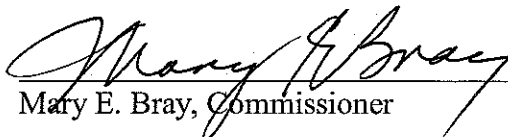
PUBLIC UTILITIES COMMISSION



Elia Germani, Chairman



Robert B. Holbrook, Commissioner\*



Mary E. Bray, Commissioner

\*Commissioner Holbrook dissented. He believes that all ratepayers should bear the costs associated with credit card transactions, and have the opportunity to make a utility payment without paying a fee. By denying Pascoag's request, he noted that no one will be able to make a utility payment through a credit card and the costs associated with accepting credit cards are small.