



June 25, 2018

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

Re: Docket No. 4838 – Arrearage Management Program Provision  
RIPUC No. 850

Dear Ms. Massaro:

I have enclosed the District's proposed electric tariff to implement an Arrearage Management Program ("AMP") pursuant to amendments to RI. Gen. Laws §§39-2-1 and 39-1-27.12 (the Henry Shelton Act).

The District is seeking approval to add a tariff provision to its Electric Tariffs to implement an Arrearage Management Program (AMP). The new tariff will establish an arrearage program for low-income electric ratepayers. The AMP will apply to customers eligible for the federal low-income home energy assistance program (LIHEAP). Such customers will be eligible for enrollment in the AMP if they have been terminated from electric service or are scheduled for actual shut-off of service on a specific date and meet all of the criteria set forth in the Henry Shelton Act.

Included with this filing are samples of the District's AMP Termination Notice during the Moratorium for eligible customers who would like to enroll during the Winter Moratorium and the second is a letter that confirms a customer's enrollment in the AMP Program and explains the terms of the agreement.

If you have any questions, please contact me at 401-568-6222 extension 220

Very truly yours,

Harle J. Round  
Manager of Finance and Customer Service

Enclosures

Cc: Docket xxxx Service List

THE PASCOAG UTILITY DISTRICT  
ARREARAGE MANAGEMENT PROGRAM PROVISION

In accordance with R.I. General Law § 39-2-1 (d) (2), commencing on September 1, 2016, the District shall implement an Arrearage Management Program ("AMP") pursuant to this tariff provision.

**1. PROGRAM ELIGIBILITY**

In order to be considered eligible for enrollment in the AMP, a customer who has been terminated from electric service or is recognized, pursuant to a rule or decision by the Division of Public Utilities and Carriers, as being scheduled for actual shut-off of service on a specific date, shall meet all the following criteria:

- The applicant must be the customer of record, although the customer of record may authorize someone else to communicate with the District to help enroll the customer of record in the AMP;
- The applicant must be eligible for the Federal Low-Income Home Energy Assistance Program ("LIHEAP");
- The customer's account must have a minimum balance of \$300.00 that is more than 60 days past due;
- If service to the account has been terminated, the customer must make an initial payment of 25% of the total unpaid balance (current and past due), unless otherwise directed by the Public Utilities Commission ("PUC") as a result of an emergency regulation;
- The customer must agree to a payment plan, as further described in Section 3;
- The customer must agree to remain current with payments. "Remaining current" means that the customer:
  - (a) misses no more than two (2) payments in the 12-month term of the payment plan; and
  - (b) pays the amount due under the payment plan in full by the conclusion of the payment plan's 12-month term;
- A customer who meets the requirements for the AMP may enroll during the moratorium. The District will provide the customer with an "AMP Termination Notice during the Moratorium".
- The customer must agree to participate in the District's Energy Efficiency Programs and will be provided with a free Energy Audit through the Pascoag Utility District's Demand Side Management Program to identify ways to reduce electricity consumption and associated cost; and
- The customer must apply for other available energy assistance programs, such as fuel assistance and weatherization. The District will cross reference the customer's records for LIHEAP Funds and will work with the customer and the Community Action Partnership (CAP) Agency regarding eligibility for fuel assistance and the Weatherization Assistance Program.

THE PASCOAG UTILITY DISTRICT  
ARREARAGE MANAGEMENT PROGRAM PROVISION

- The District will send out a letter confirming the customer's enrollment in the AMP and outline the requirements.

**2. ENROLLMENT**

To participate, the customer must affirmatively apply to participate in the AMP.

The District shall administer the AMP enrollment process in compliance with the eligibility qualifications outlined in Section 1. By applying to participate in the AMP, the customer agrees to comply with the terms of the AMP, including the customer's specific payment plan. After a customer has applied to the AMP, the District shall determine whether the customer has met all of the AMP eligibility criteria set forth in Section 1, based on the District's records. The District will coordinate with the Community Action Program ("CAP") agencies to validate customer's eligibility when appropriate.

**3. PAYMENT PLAN**

AMP participants shall enroll in a 12-month payment plan, paid in equal monthly payment installments that will cover new charges based upon their current estimated annual usage ("Payment Plan").

The current components of the Payment Plan shall be based on the customer's average monthly usage for the previous year less the customer's actual or anticipated fuel assistance commitments, and shall be converted to a fixed monthly payment.

**4. ARREARS FORGIVENESS**

AMP participants will be eligible for forgiveness of their account balance that is past due at the time of the first bill under their Payment Plan, up to annual maximum of \$1,500. With each payment under the Payment Plan, a portion of the participant's outstanding past due account balance as described above is forgiven in an amount equal to the total past due account balance or \$1,500, whichever is less, divided by 12; provided, however, that the annual arrearage forgiveness amount shall not exceed \$1,500.

If an AMP participant's past due balance at the time their Payment Plan takes effect exceeds \$1,500, the AMP participant may request an extension of the Payment Plan to accommodate the additional account balance in excess of \$1,500. To be eligible for an extension, the AMP participant must be current with their Payment Plan at the conclusion of the initial 12-month term. Such AMP participant's Payment Plans will be extended upon the AMP participant's timely request for extension.

THE PASCOAG UTILITY DISTRICT  
ARREARAGE MANAGEMENT PROGRAM PROVISION

**5. PAYMENT PLAN REVIEW**

Customers applying to participate in the AMP will be advised that the amount of their required monthly payments under their Payment Plan may change over the lifetime of the Payment Plan.

The District shall review the Payment Plans of active AMP participants every three months and may adjust the installments based on the following:

- A fuel assistance commitment is made subsequent to enrollment;
- There is a change in fuel assistance, such as a change in the amount, from what was understood at enrollment;
- The customer moves to a new address with a different average monthly usage for the previous year;
- Actual usage patterns differ from what was estimated as annual usage at enrollment; or
- There is significant change in the District's rates from what was anticipated at the enrollment.

**6. DEFAULT**

The District shall consider the AMP participant's billing account in default if either of the following occurs:

- The AMP participant misses more than two (2) payments in the 12-month Payment Plan term; or
- If the amount due under the Payment Plan is not paid in full by the conclusion of the 12-month Payment Plan term.

Upon default, the District shall terminate the AMP participant from the AMP and the customer's unpaid balance will be due and payable in full. However, any arrearage forgiven under the AMP prior to termination of the participation in the AMP will remain forgiven.

Customers shall have the option to opt out of continued participation in the AMP at any time, with the understanding that any unpaid balance will be due and payable in full. Customers who voluntarily opt out of the AMP will receive the same treatment as those customers who default on their Payment Plans under the AMP, as set forth in Section 10 (Subsequent Eligibility).

**7. TERMINATION**

In addition to termination upon default, a customer's participation in the AMP shall terminate if the AMP participant moves outside of the District's service territory.

THE PASCOAG UTILITY DISTRICT  
ARREARAGE MANAGEMENT PROGRAM PROVISION

If a customer is terminated from AMP participation, the customer's unpaid balance will be due and payable in full. However, any arrearage forgiven under the AMP prior to termination of participation in the AMP will remain forgiven.

**8. COLLECTIONS ACTIVITY**

AMP participant shall not be subject to the District's normal collections activities while actively participating in the AMP and the accrual of interest will be suspended. The District shall resume normal collections activities if the AMP participant defaults while participating in the AMP or terminates the AMP and the accrual of interest will resume.

**9. AMP BILLING AND ACTIVE PLAN NOTICING**

The District shall remove the amount of an AMP participant's arrears balance up to \$1,500 from the "current amount due" field on certain views of AMP participant accounts in the District's billing system. However, the arrears balance up to \$1,500 shall remain on the customer's bill.

Customers who are enrolled in the AMP will receive an AMP "Enrollment Letter" outlining the terms and conditions of their participation in the AMP.

Customers in danger of defaulting from the AMP will receive a default letter advising them of the need to make all required payments or risk default, termination from the AMP, and a return to the District's normal collection activities.

**10. SUBSEQUENT ELIGIBILITY**

A customer is eligible for subsequent enrollment in the AMP provided two years have passed since either (a) the date of the customer's successful completion of the AMP, or (b) the date on which the customer's participant in the AMP was terminated as a result of default or because the customer voluntarily opted out of the AMP, so long as a CAP agency has provide a recommendation to allow eligibility notwithstanding the customer's default or voluntary opt out of the AMP. The District shall review request for re-enrollment on a case-by-case basis to determine that the foregoing criteria are met.

**11. REPORTING METRICS**

The District shall report monthly as part of the PUC Docket No. 1725 Report and will evaluate the effectiveness of the AMP as follows:

THE PASCOAG UTILITY DISTRICT  
ARREARAGE MANAGEMENT PROGRAM PROVISION

**Pascoag Utility District  
AMP Participants**

Customer	Date Enrolled	Beginning Arrearage	Amount Forgiven to Date	Current Arrearage	Date Completed or Defaulted
Customer 1					
Customer 2					
Customer 3					
<b>Total</b>		<b>\$X,XXX.XX</b>	<b>\$XXX.XX</b>	<b>\$X,XXX.XX</b>	

**12. COST RECOVERY**

The prices for Retail Delivery Services contained in all the rates of the District are subject to adjustment to reflect and Arrearage Management Adjustment Factor ("AMAF") designed to recover incremental costs incurred associated with the AMP. Incremental costs include the amount of arrearage forgiven. The recovery of the arrearage amounts forgiven by the Company through the AMP is dependent on the following criteria:

- I. If a customer does not satisfy the conditions of R.I. Gen. Laws § 39-2-1 (d) (2), the amount of arrearage forgiven by the District to that point shall remain forgiven and be written off by the District. However, the amount of arrearage forgiven by the District is recoverable in full.
  
- II. If a customer does satisfy the condition of R.I. Gen. Laws § 39-2-1 (d) (2), all arrearage amounts forgiven will be treated as bad debt. At the end of each calendar year, the District will perform a test to determine if the amount of bad debt for the year exceeds the adjusted allowable bad debt from the District's most recent general rate case. This adjusted allowable bad debt will be calculated using the distribution uncollectible amount determined in the last general rate case, updated for the current calendar year Standard Offer Service, Transmission, and Transition charges. Should the actual bad debt amount incurred by the District for the year exceed this adjusted allowable bad debt amount, the District will be entitled to recover, in the following year, all amounts of arrearage forgiven under R.I. Gen. Laws § 39-2-1 (d) (2) (xiv) in prior year in excess of the allowable bad debt. If, however, the amount of the arrearage forgiven under § 39-2-1 (d) (2)(xiv) in excess of the adjusted allowable bad debt for a given year is not significant enough to calculate an annual reconciling factor for that year, the District may reflect such amount in its next Revenue Decoupling Mechanism reconciliation filing.

THE PASCOAG UTILITY DISTRICT  
ARREARAGE MANAGEMENT PROGRAM PROVISION

The AMAF shall be a uniform per kilowatt-hour factor based on the estimated kilowatt-hours to be delivered by the District to its retail delivery customers over a 12-month period. For billing purposes, the AMAF will be included with the distribution kilowatt-hour charge on the customer's bills. Should any balance remain outstanding subsequent to the recovery of cost associated with the AMP as described above, the District shall reflect this balance as an adjustment in the subsequent period.

**13. ADJUSTMENT TO RATES**

Adjustments to rates pursuant to the Arrears Management Program Provision are subject to review and approval by the PUC. Modifications to the factor contained in this Provision shall be made in accordance with a notice filed with the PUC pursuant to R.I. Gen. Laws § 39-3-11 (a) setting forth the amount(s) of the revised factor(s) and the amount(s) of the increase(s) or decrease(s). The notice shall further specify the effective date of such charges.

Effective Date: MM, DD, YYYY

[MM, DD, YYYY]

[Any Name]

[Any Address]

[Any Town, RI 00000]

RE: ARREARAGE MANAGEMENT PROGRAM (AMP)

Bill Account Number:

Service Address:

Dear:

This letter confirms your request to enroll in Pascoag Utility District's Arrearage Management Program (AMP). The AMP is designed to assist qualified residential customers with their past due electric bills and future electric charges. The AMP also eliminates the possibility of services being terminated during the term of the customer's AMP payment plan.

Through the AMP, your account will be placed on a monthly payment plan, based on your average monthly usage last year. Upon receipt of LIHEAP fuel assistance commitments, the required monthly payments may be reduced. Our records indicate that the monthly payment for this account will be **\$XXX.XX**. This amount must be paid by the due date printed on your electric bill. Note that the required monthly payment may change if your actual monthly usage differs significantly from estimated usage, if you receive any additional fuel assistance commitments subsequent to AMP enrollment, if you move to a new address with a different monthly usage for the previous year, or if Pascoag Utility District's rates change significantly from the time of your enrollment.

The AMP HAS AN ARREARAGE FORGIVENESS COMPONENT UNDER WHICH A PORTION OF YOUR PAST DUE ACCOUNT BALANCE IS FORGIVEN EACH MONTH. The monthly forgiveness is calculated based on your account balance owed to Pascoag Utility at the time of your enrollment. A maximum of \$1,500 shall be forgiven in a 12-month period. **If the outstanding account balance is greater than \$1,500, the length of the agreement may, at your request at the end of the 12-month plan, be extended for more than 12 months to accommodate the total outstanding balance; if you are current with your payments at the conclusion of the previous 12-month period.**



Based on your account balance at the time of enrollment, the amount of your arrearage to be forgiven is **\$XXXX.XX**, as long as you are current with your payments. Upon receipt of each monthly payment, **\$XXX.XX** will be credited to your account. To remain current with the payments the following conditions **MUST be met**:

- You miss no more than 2 payments in a 12-month period covered by the payment plan (partial payments are considered missed payments; and
- The total amount due under the payment plan is paid in full by the conclusion of the 12-month period of the payment plan term.

If you default under your AMP payment plan; you will be terminated from the plan and your account will return to normal collections activity, including the possibility of service termination.

After two (2) years from the date of completion of the plan, or removal from the plan for failure to remain current with payments **AND** upon recommendation from a Community Action Partnership Agency, a customer shall be eligible to enroll in a subsequent arrearage forgiveness plan.

Please contact Pascoag Utility District at 401-568-6222 if you have any questions or concerns with your payment plan or your enrollment in the AMP Program.

Sincerely,

Pascoag Utility District



This is a utility service termination notice. Translate immediately!

Esto es una de la terminación del servicio de la utilidad. Traduzca inmediatamente.

Ceci est un notification traduit de conclusion de service d'utilité immédiatement.

Isto é um aviso. traduz de terminacão de servico de utilidade imediatamente.

Our records indicate an unpaid balance on the account covering this residence.  
**YOUR ELECTRIC SERVICE TO THIS RESIDENCE WILL BE TERMINATED WITHOUT FURTHER NOTICE ON OR AFTER THE DATE INDICATED ON THE OTHER SIDE OF THIS NOTICE.**

**YOU MAY AVOID TERMINATION:**

Your utility service will not be terminated, on or before the date noted on the other side of this notice if satisfactory arrangements are made to pay this balance. As a first step, you must call our Customer Service Department at (401) 568-6222 as soon as possible. If satisfactory arrangements cannot be agreed upon, you have the right to call the Division of Public Utilities and Carriers at (401) 780-9700. These calls are necessary to avoid termination of service.

**PROTECTION AGAINST TERMINATION:**

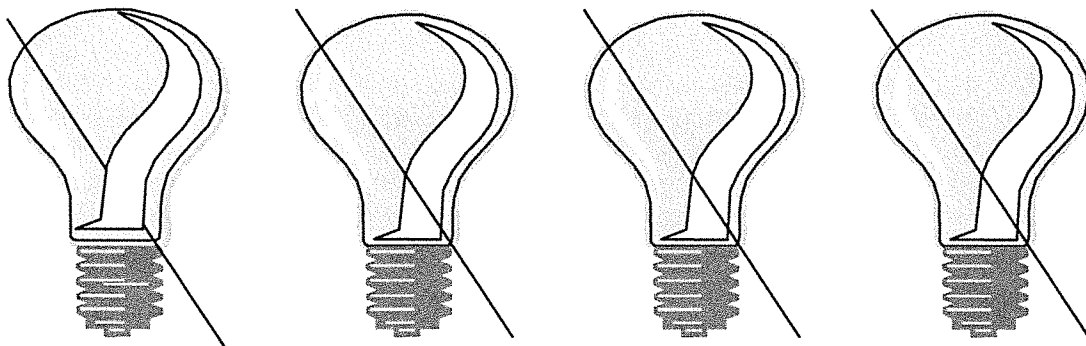
The Public Utilities Commission has Rules and Regulations that provide protection from termination of service for the seriously ill, handicapped, and households in which all residents are at least 62 years of age. Please contact our Customer Service Department to determine eligibility.

Under certain circumstances a customer may be protected from termination of service during the period between 12:01 AM November 1<sup>st</sup> and 11:59 PM April 15<sup>th</sup>. Please contact our Customer Service Department to determine eligibility.

If you or anyone currently and normally living in your home has a child under two (2) years old, we will not terminate service provided you also have a financial hardship. Please call our Customer Service Department to determine eligibility.

**LOW INCOME HEATING ASSISTANCE PROGRAM (LIHEAP)**

LIHEAP provides eligible customers with public energy assistance aid. Customers who may qualify should contact their local Community Action Program.



**RULES AND REGULATIONS**

A copy of the Rules and Regulations Governing Termination of Residential Electric, Gas and Water Utility Service are now available for review at our office located at 253 Pascoag Main Street, Monday through Friday between the hours of 7:00AM and 3:30PM. A copy of the Rules and Regulations is also available for review at the office of the Division of Public Utilities and Carriers located at 89 Jefferson Blvd., Warwick RI, Monday through Friday 8:30 AM to 4:00 PM. A copy of the Rules and Regulations may also be obtained via the Internet at [www.ripuc.org](http://www.ripuc.org).