

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

**IN RE: SUSPENSION OF SERVICE TERMINATIONS :  
AND CERTAIN COLLECTIONS ACTIVITIES : DOCKET NO. 5022  
DURING THE COVID-19 EMERGENCY :**

**ORDER**

On March 9, 2020, Governor Gina Raimondo declared a state of emergency in Rhode Island as part of the State’s response to the COVID-19 virus. Subsequently, Governor Raimondo closed school buildings, closed restaurants for inside dining, and limited public gatherings. Several municipalities were also under states of emergency with various limitations on businesses and gatherings.

On March 16, 2020, the Public Utilities Commission (Commission) ordered all electric, natural gas, water, and sewer utilities to immediately cease certain collections activities, including termination of service for nonpayment, sending past due accounts to collections agencies, and sending termination notices with disconnection dates prior to the end of the stated period.<sup>1</sup> The order was in effect through April 14, 2020 for residential customer accounts and March 31, 2020 for nonresidential customer accounts, subject to further review. The Order was extended on March 30, 2020, April 13, 2020, May 6, 2020, and May 28, 2020 for all customers through July 17, 2020.<sup>2</sup> The May 28, 2020 decision also required the regulated utilities to suspend late fees, interest charges, credit card fees, debit card fees, and ACH fees subject to further review in September 2020. The remainder of the May 28, 2020 decision scheduled to be revisited on July 13, 2020.

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<sup>1</sup> Order No. 23786. The order allowed collections activities included billing, reminder notices, entering payment plans, and other activities not prohibited by the order. It encouraged customers to continue to pay their bills to the extent they have the financial ability, noting that nonpayment results in higher balances that can become even more challenging over time. It also directed utilities to offer flexible payment plans to all customers facing financial hardship, even short-term, during this time.

<sup>2</sup> Order No. 23836 (June 2, 2020).

Since May 28, 2020, the State of Rhode Island has resumed economic activity under a phased approach. The State has been in Phase 3 for two weeks. Businesses, including those categorized as “close contact,” have been allowed to reopen with fewer restrictions and more employees have been allowed to return to their places of employment. Public gatherings, while still limited, have been expanded. Youth sports have recommenced on a limited basis. Summer camps and childcare facilities have been allowed to reopen. While there are still restrictions in place, with the exception of those electric and gas customers eligible for, and enrolled in a utility’s low-income rate, there is a lack of evidence that lifting the moratorium on utility service terminations for nonpayment will cause an immediate and irreparable harm to the public interest.

On June 30, 2020, the Commission posted a notice to solicit comments from interested stakeholders. The George Wiley Center advocated for the continuation of the emergency order through November 1, 2020 for all residential customers, suggesting that while all residential customers have suffered economic challenges from the economic effects of COVID-19, the effects of the economic shutdown more adversely affected low-income residential customers. For example, the Wiley Center stated that “to meet the Governor and Education Commissioner’s goals, it is imperative -- particularly for low-income communities that have been disproportionately impacted by COVID-19 -- that the Commission extend the current utility protections to November 1, 2020, when the winter moratorium will begin.”<sup>3</sup> The Wiley Center further asserted that “lifting the moratorium during an ongoing and potentially reoccurring viral pandemic, where many low-income families have been left with even less income than they had before, runs counter to the state’s education policy goals and will exacerbate ... economic equity gaps.”<sup>4</sup>

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<sup>3</sup> Wiley Center Comments at 6.

<sup>4</sup> *Id.* at 6-7.

The Division indicated that it did not object to the continuation of the moratorium if the Commission found it was necessary.<sup>5</sup> The non-investor owned utilities discussed financial constraints they have been experiencing as a result of reduced payments. They also discussed their outreach and collections activities thus far and if the moratorium is lifted. Some realized higher levels of collection in June 2020. Some suggested it would be reasonable to lift the moratorium.<sup>6</sup> National Grid suggested extending the moratorium to November 1, 2020 for its low-income customers and into September 2020 for other customers.<sup>7</sup>

The Commission has been gathering financial information from the utilities about the impact of our previous orders. Many utilities have experiencing lower collections over the past four months than during the same time period in prior years. Different from the previous filings and comments related to this docket, as noted above, several are beginning to experience difficulties in funding restricted accounts and at least one expressed concern for a large bond payment due in September. Some of the utilities have also been deferring discretionary expenses and, more concerning, certain capital and infrastructure investment in order to manage their budgets.<sup>8</sup> While these are important management actions, these short-term deferrals could result in increased expenses in the longer term. Rhode Island's utilities have aging infrastructure that needs to be maintained for safety and reliability.

Based on consideration of all current economic circumstances and health considerations, pursuant to R.I. Gen. Laws § 39-1-32(a), the Commission finds that public safety requires the

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<sup>5</sup> Division Mem. at 2 (July 7, 2020).

<sup>6</sup> See Kent County Water Authority Comments (July 7, 2020); Pascoag Utility District filing (July 2020); Providence Water Supply Board filing (July 2, 2020); Newport Water filing (July 6, 2020); Block Island Utility District filing (July 11, 2020); Pawtucket Water filing (July 7, 2020).

<sup>7</sup> National Grid Comments (July 7, 2020); Narragansett Bay Commission filing (July 7, 2020).

<sup>8</sup> See Kent County Water Authority Comments (July 7, 2020); Pascoag Utility District filing (July 2020); Providence Water Supply Board filing (July 2, 2020); Newport Water filing (July 6, 2020); Block Island Utility District filing (July 11, 2020).

continuation of the moratorium on shutoffs for customers eligible for National Grid's low-income rate through November 1, 2020.<sup>9</sup> This effectively protects those customers from termination for nonpayment of gas and/or electric service through April 15, 2021. All other residential customers of National Grid shall be protected from electric and/or gas service termination as the result of nonpayment through September 30, 2020. Providing an additional two and a half months to National Grid's non-income-eligible residential customers provides the opportunity for customers to contact the company to determine whether they are now eligible for the low-income discount as a result of their current financial circumstances. If National Grid determines that there are regulatory hurdles in the enrollment process, it should immediately notify the Commission and Division with a proposed resolution. The additional time also provides residential customers additional time to enter into payment plans.

The moratorium on utility terminations for all other regulated utility service and National Grid's nonresidential service will expire at 12:01 a.m. on July 18, 2020. This is not to suggest that water and electricity are not important for all customers. Rather, with businesses able to open, their situation does not rise to the level of an immediate threat to health and safety. For all customers of Pascoag Utility District, Block Island Utility District, both nonprofit utilities, along with the regulated water utilities, most of whom are also nonprofit, the Commission notes that they have historically shown a high rate of success in working with their customers to arrange flexible payment plans with little to no regulatory intervention by regulators.

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<sup>9</sup> R.I. Gen. Laws § 39-1-32(a) states: Any general or public law notwithstanding, the commission, when it determines that public safety so requires, or that failure to act immediately will result in irreparable injury to the public interest, or that an emergency exists in the financial affairs of a public utility which, if not met immediately, will interfere with the accommodations, convenience, and welfare of the people, may issue an order effective immediately, but for temporary duration, until formal notice be given and a hearing had of the parties in interest.

All regulated utilities are expected to provide outreach and flexible payment arrangements consistent with any collections plans or comments filed in this docket. The goal of this decision is not service termination; it is to provide the utilities with all tools available to encourage customers to enter into payment plans. Thus far, utilities have been conducting outreach to customers with varying degrees of success. With this decision, the Commission endeavors to encourage customers to contact their utilities to arrange payment plans.

National Grid shall offer 18- 24- and 36- month payment plans as outlined in the Commission's Order of March 16, 2020 until further order of the Commission. Because these payment plans are available to those customers facing termination, they were not clearly extended beyond April 15, 2020. National Grid's collections plan was unclear as to whether they would voluntarily offer the longer payment plans, but recent data requests indicate they will not offer payment plans beyond those specified in the Rules and Regulations Governing the Termination of Residential Electric, Gas, and Water Utility Service (Termination Rules). That position is contradicted by the plain language of the Termination Rules in section 1.10.A which states:

[T]he maximum allowable residential payment plan terms that may be required by a gas, water or electric public utility are set out below. Nothing in these Rules and Regulations shall prevent a gas, water or electric public utility from setting up a standard residential payment plan or a payment plan for an individual residential customer with less stringent requirements.

However, because National Grid has indicated it will not deviate from the payment plans listed in the Termination Rules, the Commission makes it clear that National Grid can offer these extended payment plans as well as more flexible payment plans as contemplated by the Commission in prior orders in this docket. To reiterate, National Grid is required to offer these payment plans to customers facing termination but may offer these to all customers in addition to other flexible and sensible payment options.

This decision does not affect the requirement that regulated utilities shall temporarily suspend late fees, interest charges, credit card fees, debit card fees, and ACH fees. Each utility that ordinarily charges late fees, interest charges, or passes through credit card, debit card, or ACH fees to the customer should continue to track all such expenses not collected and those absorbed by the utility that are not included in the utility's revenue requirement for later review by the Commission. This portion of the order will be reviewed in September 2020.

The Commission will keep a close eye on future economic effects of COVID-19, particularly with the reopening of schools in the Fall. Should the State's progress reverse course, causing the Governor to again restrict people's movement or the economy, the Commission will be prepared to provide any additional necessary emergency relief.

What this order cannot address, due to the necessarily limited scope of the docket, is the fundamentals of utility rate design. The Wiley Center has consistently suggested the Commission consider an income sensitive rate structure, also described as a percentage of income payment plan. In the last rate case, the Commission approved an income sensitive rate design for low-income customers through a tiered discount. At the same time, the Commission ordered the development of a monthly report designed to collect financial data on billing and collections activities. The purpose of this report was to provide access to the same information by all parties in advance of a rate filing and to allow parties to use that information, along with other evidence, to put forth their best case on the proper electric and gas rate design. The Commission has reviewed this information, along with the information collected in this docket.

Accordingly, it is hereby,

(23866) ORDERED:

1. Pursuant to R.I. Gen. Laws § 39-1-32(a), public safety requires the continuation of the moratorium on shutoffs for customers eligible for The Narragansett Electric Company d/b/a National Grid's low-income rate through November 1, 2020.
2. Effective through September 30, 2020, The Narragansett Electric Company d/b/a National Grid shall not terminate service to any residential customer for nonpayment.
3. Commencing July 14, 2020 until further order of the Commission, 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 certain 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 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;

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 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.

4. Customers who meet eligibility requirements for the Arrearage Management Plan, who would otherwise be scheduled for termination but for the PUC's emergency orders in Docket No. 5022, may be enrolled in the AMP without the need for the electric distribution company to send a termination notice
5. Utilities subject to this order shall continue to suspend late fees, interest charges, credit card fees, debit card fees, and ACH fees. Each utility that ordinarily charges

late fees, interest charges, or passes through credit card, debit card, or ACH fees to the customer should continue to track all such expenses not collected and those absorbed by the utility that are not included in the utility's revenue requirement for later review by the Commission. This portion of the order will be reviewed in September 2020.

- 6. The Narragansett Electric Company d/b/a National Grid shall continue to file weekly financial reports required by the Commission's First Set of Data Requests in this docket until further order of the Commission.

EFFECTIVE AT WARWICK, RHODE ISLAND, ON JULY 13, 2020, PURSUANT TO AN OPEN MEETING DECISION ON JULY 13, 2020. WRITTEN ORDER ISSUED ON JULY 15, 2020.

PUBLIC UTILITIES COMMISSION



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Ronald T. Gerwatowski, Chairman



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Marion S. Gold, Commissioner



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Abigail Anthony, Commissioner

NOTICE OF RIGHT OF APPEAL: Pursuant to R.I. Gen. Laws §39-5-1, any person aggrieved by a decision or order of the Commission may, within seven (7) days from the date of the order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.