

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: REQUESTS FOR WAIVER FROM :
TERMINATION OF SERVICE PAYMENT :
PLANS BY NEWPORT WATER AND : DOCKET NOS. 1725, 3423
WOONSOCKET WATER DEPARTMENT :

ORDER

WHEREAS, On April 9, 2002, the Commission, in Docket No. 3423, adopted new Rules and Regulations Governing the Termination of Residential Electric, Gas and Water Utility Service (“Termination Rules”) for effect on May 1, 2002.

WHEREAS, The Termination Rules mandate new payment plans for residential utility customers who are carrying unpaid balances on their accounts.

WHEREAS, Part IV, Section 4 of the Termination Rules provides regulated water utilities with the opportunity to receive a waiver from the new residential payment plans, provided “they provide the Commission with evidence that they have a procedure in place to provide reasonable payment plans to customers carrying an unpaid balance.”

WHEREAS, On May 29, 2002, the City of Newport Water Department (“Newport Water”) filed its Motion for a Waiver. On June 20, 2002, Commission Counsel provided a copy of the Motion, Newport Water’s Procedures regarding availability of residential payment plans, and Notice to those listed on the Service List¹ that Commission Rule of Practice and Procedure 1.15(d) provides 10 days for the parties to object to motions. Ten (10) days passed with no objection filed.

WHEREAS, Newport Water’s Procedures, filed with the Commission, indicate that prior to shutoff, 1/3 of a customer’s outstanding balance is due at time a customer

enters into payment plan. The customer then has three additional months to repay the remaining balance. Newport Water requires a customer to enter into a written payment plan agreement.

WHEREAS, On July 30, 2002, the Commission requested clarification from Newport Water regarding the applicability of payment plans after termination of service. On August 20, 2002, Newport Water submitted a letter to the Commission indicating that after termination of service, customers are encouraged to pay the outstanding balance in full, but at the discretion of the Director, post-termination payment plans are allowed.

WHEREAS, On October 15, 2002, in response to a request for further clarification from the Commission, through counsel, Newport Water submitted a letter indicating that the purpose of granting the Director discretion to offer payment plans was to establish a meeting between the customer and the Director to cooperate in establishing an agreed payment schedule based on the same terms as the pre-termination payment plans.

WHEREAS, On August 20, 2002, in response to an inquiry from the Commission regarding Woonsocket Water Department's ("Woonsocket Water") intent to file for an exemption from Part IV, Section 4 of the Commission's Rules Regarding Termination of Service, Woonsocket Water filed a Motion for an Exemption. Ten (10) days passed with no objection filed.

WHEREAS, Woonsocket Water's Procedures, filed with the Commission as rationale for granting its Motion, indicated that it has provisions for payment plans for residential customers prior to service termination for non-payment. According to its

¹ The Docket adopted the service list from Docket 1725 in Docket 3423. Docket 3423 was set up to promulgate new Termination Rules. The pre-existing Docket 1725 was kept open for purposes of issues

Motion and attached payment plan agreement, Woonsocket Water requires an initial down payment, the remaining balance to be paid in monthly installments. Woonsocket Water requires a customer to enter into a written payment plan agreement.

WHEREAS, On October 16, 2002, in response to a request for clarification from the Commission, through counsel, regarding the applicability of payment plans after termination of service, Woonsocket Water submitted a letter to the Commission indicating that after termination of service, service will be restored if the customer enters into a post-termination payment plan with the same terms as a pre-termination payment plan.

WHEREAS, the Commission finds that Newport Water and Woonsocket Water Department have demonstrated that they make reasonable residential payment plans available to their residential utility customers in accordance with Part IV, Section 4 of the Termination Rules. Therefore, the Commission grants each of these utilities a waiver from compliance with Part V of the Termination Rules.

Accordingly, it is

(17170) ORDERED:

1. Newport Water's Request for a Waiver from the Termination Rules is hereby granted. Newport Water must file any future changes in its policies concerning payment plans with the Commission.
2. Woonsocket Water Department's Request for a Waiver from the Termination Rules is hereby granted. Woonsocket Water Department must file any future changes in its policies concerning payment plans with the Commission.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO AN OPEN
MEETING DECISION ON OCTOBER 17, 2002. WRITTEN ORDER ISSUED
OCTOBER 22, 2002.

PUBLIC UTILITIES COMMISSION

Elia Germani, Chairman

Kate F. Racine, Commissioner

Brenda K. Gaynor, Commissioner