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CAD Bulletin No. 2009-04

To: All Electric and Gas Utilities
 From: Derek D. Davidson, Director, Consumer Assistance Division (CAD)
 Subject: Staff Interpretation of Revised Sections of Chapter 815, §§ 7(I)(1)(a) and 11(A).
 Date: July 28, 2009

This bulletin is issued pursuant to Chapter 110, §606 of the Commission's rules and provides an informal staff interpretation of sections 7(I)(1)(a) and 11(A) of Chapter 815. These are two of the many sections of Chapter 815 recently revised by the Commission. The revisions became effective on June 28, 2009. *Standards for the Provision of Service, Billing, Credit and Collection, Termination of Service, and Customer Information for Electric and Gas Transmission and Distribution Utilities (Chapter 815)*, Order Adopting Rule Amendments, June 15, 2009, Docket No. 2008-429.

Section 7(I)(1)(a) requires a utility to refund a deposit, including accrued interest, to a residential customer when the customer pays all bills or makes all payments pursuant to an established payment arrangement by the due date for 12 consecutive months and the customer does not have a remaining account balance at the end of the 12 month period. In these situations, the refund must be made within 30 days after the 12th bill is paid. A utility has asked if this section requires the refund of deposits as soon as a customer pays the 12th consecutive bill on-time after June 28, 2009 (the effective date of the rule revision) or if it requires the refund of a deposit only after a customer makes 12 consecutive monthly payments on-time *after* June 28, 2009. For example, if a customer was assessed a deposit on July 1 of 2008 and has paid all monthly bills since that time when due and does not currently have an account balance, must the utility return the deposit 30 days after July 1, 2009 – or – can the utility require that the customer pay 12 consecutive monthly bills when due *beginning* with the first month after June 28, 2009 (effective date of rule revision). This interpretation means the customer would not be eligible to receive a refund until July of 2010.



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The answer is a utility must refund a deposit to a customer as soon as the customer pays the 12th consecutive bill on-time after June 28, 2009. Consequently, if a customer pays the 12 consecutive bill on-time on July 1, 2009 and does to have an account balance, a utility is obligated, pursuant to §7(I)(1)(a), to refund the deposit within 30 days after the 12th bill is paid (by July 31, 2009). Deposits must also be returned to customers that have made more than 12 consecutive payments on-time and do not have an account balance as of June 28, 2009. Refunds in these situations should occur within 30 days of June 28, 2009 or soon as possible thereafter.

Section 11(A) states a “[a] utility may not disconnect service and may not refuse to connect or reconnect service to any residential customer when the customer or an occupant of the customer’s residence is certified by a physician or the physician’s agent or designee to have a serious medical condition.” A utility has asked if this requirement also applies to “applicants.” The utility’s question focused on the word “customer” in the rule and the lack of the word “applicant.” The utility postulated that the word “applicant” was intentionally excluded from the rule to limit this section to only “customers” and occupants of a “customer’s” residence.

The answer to this question is that the rule is intended to include both applicants and customers, as well as occupants of both applicant and customer residences. The word “customer” is not meant to differentiate between a “customer” and an “applicant;” rather, it is used in conjunction with the term “residential” to differentiate between “residential” customers and “non-residential” customers. Further clarifying this point, the word “connection” was added to this section in the Chapter 815 rulemaking, in addition to the word “reconnection.” *Standards for the Provision of Service, Billing, Credit and Collection, Termination of Service, and Customer Information for Electric and Gas Transmission and Distribution Utilities (Chapter 815)*, Order Adopting Rule, August 27, 2007, Docket No. 2007-71. The Order Adopting Rule did not specify why the word “connection” was added to the rule. However, the only logical reason this word was added would be to clarify that this section is not limited to existing customers (where the term “reconnection” applies) and is meant to include non-customers or “applicants” (where the term “connection” would apply). The utility’s interpretation would render the word “connection” meaningless. It is also worth noting that Chapter 81, the predecessor to Chapter 815, also used the terms “customer” and “occupant” and did not include the term “applicant.” Though the term “applicant” was not included in the text of that rule, the CAD nonetheless interpreted this section to include applicants.

This is an informal staff interpretation of Chapter 815 Utilities have the right to request an Advisory Ruling from the Commission pursuant to Chapter 110, part 6 of the Commission’s rules. If anyone has questions regarding this opinion, please contact me at (207) 287-1596 or at Derek.d.davidson@maine.gov.

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