

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

RELIABILITY RESPONSIBILITY REGULATIONS
FOR NONREGULATED POWER PRODUCERS

Date of Public Notice: November 11, 1996

Date of Public Hearing: November 27, 1996

Effective Date: January 1, 1997

1. INTRODUCTION

By July 1, 1997, nonregulated power producers will be allowed to sell to or aggregate electricity for eligible Rhode Island customers. These regulations, enacted pursuant to R.I.G.L. 1956 (1988 Reenactment), §39-1-27.1 and the general regulatory authority conferred by Title 39, are intended to ensure that nonregulated power producers meet the operating and reliability standards of the New England Power Pool or any successor entity. In addition, it is necessary for each electric distribution company within the state to develop and propose a set of nondiscriminatory billing, accounting, metering, and settlement procedures that will allow for the implementation of retail competition in a reliable manner.

2. DEFINITION

As used in these rules, except as otherwise required by the context:

- a. "ABMS Procedures" means the Accounting, Billing, Metering and Settlement Procedures for an electric distribution company.
- b. "Clerk" means the Commission Clerk, appointed by the Commission pursuant to R.I.G.L. §39-1-9.
- c. "Commission" means the Public Utilities Commission.
- d. "Division" means the Division of Public Utilities and Carriers described in R.I.G.L. §39-1-2(4) and §39-1-3.
- e. "FERC" means the Federal Energy Regulatory Commission.
- f. "NEPOOL" means the New England Power Pool.
- g. "NEPOOL Agreement" means the New England Power Pool Agreement, as it may be amended from time to time and approved by the FERC.
- h. "NEPOOL Participant" has the meaning given within the NEPOOL Agreement, as such definition may be amended from time to time.
- i. "NPP" means nonregulated power producer and has the same meaning as given in R.I.G.L. §39-1-2(7.1).
- j. "Retail customer" means an end user of electricity within the State of Rhode Island.

3. PREREQUISITES FOR RHODE ISLAND OPERATIONS

Any NPP who directly or indirectly sells to or aggregates electricity for Rhode Island retail customers, or otherwise serves a retail electric load in this state, must:

- a. have an effective registration, maintained in good standing, pursuant to R.I.G.L. §39-1-27.1(c) and (d); and
- b. either:
 - (i) become a NEPOOL Participant; or
 - (ii) have a written agreement with a NEPOOL member through which such member agrees to include the load served by the NPP in its load. A copy of this agreement (with any pricing or unrelated commercial terms redacted) shall be filed with the Commission and each electric distribution company within the state.

Unless and until Block Island is connected to the mainland by an electric cable which is capable of transmitting electricity from the mainland to Block Island, no incumbent utility or NPP on Block Island shall be subject to this section.

4. SERVICE RESPONSIBILITY

Each NPP who is providing the electric power requirements of retail customers shall be responsible for meeting the load requirements of each retail customer it is serving and to provide for the delivery of the associated capacity and energy to a point or points on the integrated transmission system of the electric distribution companies and their affiliates serving Rhode Island pursuant to contract or FERC-approved open access tariffs, as well as providing any and all necessary installed and operating reserves required to serve each retail customer.

5. ACCOUNTING, BILLING, METERING, AND SETTLEMENT PROCEDURES

- a. Each distribution company within this state shall be required to propose and file a set of ABMS Procedures designed to implement retail access for Rhode Island customers. The electric distribution company shall propose such ABMS Procedures in its filing with the Clerk of its retail access distribution tariffs required by R.I.G.L. §39-1-27-1.(a). The Commission shall review and approve the proposed ABMS Procedures. This subsection shall not apply to the Block Island Power Company, unless and until an NPP provides to the

Commission notice of intention to provide power for Block Island; in such an event, any distribution company on Block Island shall file its ABMS procedures within sixty days.

- b. After the Commission approves a set of ABMS Procedures for an electric distribution company, all NPP's shall be required to comply with such approved procedures when serving retail customers within the service territory of such electric distribution company.
- c. The ABMS Procedures for an electric distribution company cannot be changed in any substantive manner except by a filing with the Clerk, with at least thirty days notice to all registered NPPs. Any proposed changes are subject to the approval of the Commission.

6. COMPLAINT AND ENFORCEMENT PROCEEDINGS

- a. Any person or entity, including the Division, who reasonably believes that an NPP has failed or is failing to comply with these regulations, may file a complaint with the Commission. In such case, the Commission shall provide the NPP with an opportunity to file an answer to the complaint. Within thirty days of receipt of such complaint, the Commission may open a public hearing or dismiss the complaint on the pleadings. Any hearings shall be conducted pursuant to the Commission's Rules of Practice and Procedure.
- b. On its own motion and after notice to the NPP, the Commission may request the Division to open an investigation upon an NPP to determine if such NPP has been or is in compliance with these regulations. In such case, a docket shall be opened and the Commission's Rules of Practice and Procedures regarding discovery shall apply. If the Division files a report with the Commission stating the reasons why it believes the NPP failed or is failing to comply with these regulations, the Commission shall provide the NPP with an opportunity to answer the Division's report and hearings may commence pursuant to the Commission's Rules of Practice and Procedure.

7. PENALTIES AND REMEDIES

If, after public hearing, the Commission finds that an NPP has engaged in the sale or aggregation of electricity to or for Rhode Island retail customers, or has otherwise been serving retail electric loads in Rhode Island without complying with these regulations, the Commission may impose reasonable penalties or conditions on such NPP, designed to assure compliance and/or impose any reasonable remedies

that the Commission deems in the public interest, including barring the NPP from providing service within the State.

8. SPECIAL PROVISIONS

The applicability, in whole or in part, of these regulations to a quasi-municipal corporation, and the manner in which they may apply to such entity shall be subject to action by the Commission pursuant to §39-1-27(g).

The foregoing rules and regulations, after due notice and an opportunity for hearing, are hereby adopted and filed with the Secretary of State this 11th day of December, 1996, to become effective twenty (20) days after filing, in accordance with provisions of R.I.G.L. 1956 (1988 Reenactment) §42-35-2(a)(2), §42-353, and R.I.G.L. 1956 (1984 Reenactment) §39-1-26(c).

12/11/96
Date

James J. Malachowski, Chairman