

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 147

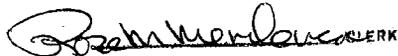
Effective: ~~Approved~~ March 17, 1985

WHEREAS, There is presently pending before the State Legislature, an Act Creating a Citizens' Utility Board, Inc., consisting of Rhode Island residential consumers who will, in essence, be a watchdog to protect the interest of all consumers at the proceedings of utility regulatory authorities,

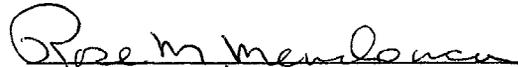
NOW, THEREFORE, BE IT RESOLVED, That the Members of the Providence City Council hereby endorse that Act creating a non-business corporation to be called the Citizens' Utility Board, Inc.

IN CITY COUNCIL
MAR 7 1985
READ AND PASSED


PRES.


CLERK

Effective without the Mayor's signature March 17, 1985.



RECEIVED
CITY CLERK

IN CITY COUNCIL
FEB 21 1985
FIRST READING
REFERRED TO COMMITTEE ON ORDINANCES

Rose M. Mendonca Clerk

THE COMMITTEE ON
ORDINANCES

Approves Passage of
The Within Resolution

Rose M. Mendonca
Clerk ~~Chairman~~

February 27, 1985

Councilman Pitts

DRAFT OF
A N A C T
CREATING THE CITIZENS' UTILITY BOARD, INC.

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 30 of the General Laws entitled "Public Utilities
1 and Carriers" is hereby amended by adding thereto the following chapter:

3 CHAPTER 39-21

4 CITIZENS' UTILITY BOARD, INC.

5 39-21-1. Policy. -- It is the policy and intent of this general
6 assembly to:

7 (a) establish with all necessary powers a non-profit nonbusiness
8 corporation, to be called the Citizens' Utility Board, Inc. (CUB), with
9 the powers and responsibilities necessary to assure adequate representa-
10 tion and protection of the interests of residential and small business
11 utility consumers at the proceedings of utility regulatory authorities,
12 and

13 (b) provide for consumer control of the corporation and consumer
14 responsibility for the actions of the corporation.

15 39-21-2. Definitions. -- As used in this chapter, unless the
16 context otherwise requires:

17 (a) The term "residential consumer" or "residential utility con-
18 sumer" shall mean any person in a household billed by a utility under
19 a residential rate or any person in a household whose rent for lodging
20 includes payment for such utilities.

21 (b) "Small business" means any business employing fewer than 125
22 employees and having an annual gross of less than three million dollars
23 (\$3,000,000).

24 (c) "Small business utility consumer" means any owner, including,
25 but not limited to, an individual, partnership or corporation, of a
26 small business in this state whose business is furnished with a utility
27 service by a public or private utility.

1 (d) The term "regulated public utility," "utility," or "utility
2 corporation" shall mean a corporation which is engaged in furnishing
3 electricity, telephone service, gas, or water to others, at wholesale
4 or otherwise, if rates for such furnishing have been established or are
5 subject to approval by a regulatory authority. The term shall include
6 the parent corporation or wholly-owned subsidiary of such corporation.

7 (e) The term "member" or "member of the corporation" shall mean
8 any residential consumer living in Rhode Island who has fulfilled the
9 membership requirements set forth in section 39-21-3 or any person who
10 has fulfilled membership requirements which may be established by the
11 board of directors pursuant to section 39-21-3.

12 (f) The term "director" shall mean any residential consumer duly
13 elected to the board of directors of the Citizens' Utility Board.

14 (g) The terms "utility regulatory agency," "utility regulatory
15 authority" or "agency" or "authority" shall mean an agency or instru-
16 mentality of the United States, or a state public utility commission
17 or authority, or any other body, commission, agency, or board which has
18 jurisdiction to set rates and charges for the sale of utility services.

19 (h) The term "campaign resources" shall include any:

20 (i) expenditure of money belonging to a candidate or to any person
21 or group authorized by or acting for a candidate;

22 (ii) acceptance or use of goods or equipment by a candidate or by
23 a person or group authorized by or acting for a candidate;

24 (iii) acceptance of a gift or payment of money by a candidate or
25 by any person authorized by or acting for a candidate;

26 (iv) acceptance of a loan or advance of money or goods by a candi-
27 date or by any person or group authorized by or acting for a candidate;
28 where such expenditure, use, acceptance, payment, gift, loan, or advance
29 is intended to, or would reasonably appear to be calculated to promote
30 the election of a candidate to the board of directors of the Citizens'
31 Utility Board.

32 (i) The term "duly authorized agent or employee" shall mean any
33 organization, person, or corporation which, in the opinion of the CUB

1 board of directors, is qualified to help protect consumer interests in
2 proceedings of utility regulatory authorities, is receiving funds from
3 CUB to perform such work on its behalf, and is operating at the direction
4 of the CUB board of directors in furtherance of the CUB's mandate.

5 39-21-3. Establishment and membership. -- There is hereby author-
6 ized to be created a non-profit nonbusiness corporation to be known as
7 the Citizens' Utility Board, hereinafter referred to as the "CUB." Dur-
8 ing the first two (2) years of the CUB's corporate existence, the CUB's
9 membership requirements shall be those specified in this section. When
10 the CUB has been in existence for two (2) years, the CUB may, by vote of
11 the members, alter the amount of the yearly dues; provided, however, that
12 the minimum dues shall not be less than four dollars (\$4.00) nor more
13 than twelve dollars (\$12.00). Any person living in Rhode Island who is
14 a residential or small business utility consumer and contributes a mini-
15 mum of four dollars (\$4.00) but not more than one hundred dollars
16 (\$100.00) during the corporation's fiscal year shall become a member
17 of the CUB.

18 39-21-4. Powers. -- (a) The Citizens' Utility Board shall have
19 all powers, duties and responsibilities of any other private nonbusiness
20 corporation chartered by the state, except as hereinafter limited.

21 (b) The Citizens' Utility Board shall have all rights and powers
22 reasonably necessary to effectively represent and protect the interests
23 of all consumers of utility services, at the proceedings of utility
24 regulatory authorities. The CUB shall have all powers specifically
25 designated in this chapter as well as those necessary and incidental to
26 providing such representation and protection, including but not limited
27 to the hiring of an executive director with all necessary management
28 powers.

29 (c) The Citizens' Utility Board may seek such exempt status under
30 the internal revenue code as the directors decide could further the pro-
31 tection of consumer interests.

32 (d) The Citizens' Utility Board shall file quarterly reports with
33 the senate and the house of representatives setting forth its perception

1 of the impact on residential utility consumers of the actions of public
2 utility companies and utility regulatory authorities which have occurred
3 since the last such report.

4 (e) The CUB and its staff shall provide the general assembly with
5 information relevant to the consideration of utility related legislation
6 upon the written request of the presiding officer of the senate or of the
7 speaker of the house of representatives or of the chairman of a standing
8 committee of the senate or house of representatives which has such legis-
9 lation before it.

10 (f) Except as set forth in subsections (d) or (e), the CUB, the
11 members of its board of directors, and its agents and employees shall
12 not, in their official capacities, lobby any public body other than a
13 utility regulatory authority as defined herein nor otherwise engage in
14 political activity. Nothing herein shall preclude the CUB from propos-
15 ing to the general assembly amendments to this chapter concerning the
16 operation of the CUB or from commenting on proposed amendments to this
17 chapter effecting the operation of the CUB.

18 39-21-5. Utility regulatory agency proceedings. -- (a) Whenever
19 the CUB board of directors determines that the conduct or result of any
20 utility regulatory agency proceeding may substantially affect the inter-
21 ests of residential or small business utility consumers, the CUB or its
22 duly authorized agent or employee may intervene as a matter of right as
23 a party in said proceeding for the purpose of representing the interests
24 of utility consumers in such proceeding. The Citizens' Utility Board
25 or its duly authorized agent or employee shall comply with utility regu-
26 latory statutes and rules of procedure of general applicability govern-
27 ing the conduct of such proceeding, unless this chapter expressly modifies
28 such statute or rules of procedure. The intervention of the Citizens'
29 Utility Board shall not affect the obligation of the utility regulatory
30 agency conducting such proceeding to operate in the public interest.

31 (b) In any utility regulatory agency proceeding or activity in
32 which the Citizens' Utility Board or its duly authorized agent or em-
33 ployee has intervened or is participating, the Citizens' Utility Board

1 shall have all of the rights of a party to said proceeding. Without
2 limiting the foregoing, the CUB is expressly authorized to apply to
3 the utility regulatory agency to issue such orders as are allowed
4 under the agency's rules of practice and procedure with respect to the
5 summoning of witnesses, copying of documents, papers, and records, pro-
6 duction of books and papers, and submission of information in writing.

7 (c) When the interests, as defined by the board of directors, of
8 residential utility consumers and small business utility consumers dif-
9 fer, the corporation shall represent both interests, provided that no
10 single staff member shall serve both groups in an action.

11 39-21-6. Prehearing activity. -- In the absence of an ongoing
12 proceeding before a utility regulatory agency, the CUB or its duly
13 authorized agent or employee may apply to the utility regulatory agency
14 with jurisdiction over a particular utility for an order compelling said
15 utility to produce such information as is reasonably necessary for the
16 CUB to perform its statutory responsibilities.

17 39-21-7. Petitions for rule making. -- (a) Whenever the Citizens'
18 Utility Board determines that it would be in the best interest of utility
19 consumers to do so, the CUB or its duly authorized agent or employee may
20 file with a utility regulatory agency a petition requesting said agency
21 to conduct a proceeding respecting any utility within its jurisdiction.

22 (b) The petition shall set forth facts which it is claimed establish
23 the need for the proceeding and a brief description of the substance of
24 the order or amendment desired as a result of the hearing.

25 (c) The utility regulatory agency may hold a public hearing or may
26 conduct such investigation or proceeding as it deems appropriate in or-
27 der to determine whether or not such petition should be granted.

28 (d) If the utility regulatory agency denies the petition made un-
29 der this section, and if the petitioner believes the agency has a legal
30 duty to conduct the proceeding, the petitioner may commence a civil
31 action in the superior court to compel the utility regulatory agency to
32 conduct the proceeding, as requested in the petition. Any such action
33 may be filed by the petitioner thirty (30) days after the denial of
34 the petition.

1 (e) If the petitioner can demonstrate that the agency has a legal
2 duty to conduct a proceeding as requested in the petition, and that it
3 has been unreasonably withheld or delayed, the court shall order the
4 agency to conduct the proceeding as requested in the petition.

5 39-21-8. Judicial review. -- The Citizens' Utility Board or its
6 duly authorized agents or employees shall be deemed to have an interest
7 sufficient to maintain actions for judicial review and may, as a matter
8 of right, and in the manner prescribed by law, institute, intervene, or
9 otherwise participate in any civil proceedings which involve the review
10 or enforcement of an agency or utility action that the Citizens' Utility
11 Board determines may substantially affect the interests of residential
12 and small business utility consumers.

13 39-21-9. Remedies cumulative. -- The remedies under this chapter
14 shall be in addition to, and not in lieu of, other remedies provided by
15 law.

16 39-21-10. Research and public education. -- (a) The Citizens'
17 Utility Board is authorized to conduct, support, and assist research,
18 studies, plans, investigations, public education efforts, conferences,
19 demonstration projects, and surveys concerning the interests of residen-
20 tial and small business utility consumers in the operation of public
21 utilities and in the proceedings of utility regulatory authorities.

22 (b) The Citizens' Utility Board shall recognize the importance of
23 low utility costs in maintaining a healthy state economy and therefore
24 shall seek to cooperate with the industrial and commercial sectors on
25 issues of mutual concern.

26 39-21-11. Funding. -- (a) Each utility subject to this chapter
27 shall provide each customer upon each periodic bill a clearly delineated
28 check-off option by which the residential utility consumer can indicate
29 that payment in excess of the balance due to the utility on such periodic
30 bill shall be transferred to the citizens utility board account. Each
31 residential utility consumer's bill shall include a line labeled
32 "optional citizens' utility board membership contribution. . . _____"
33 along with the following statement prominently displayed on the bill:

1 "If you want to contribute to the Citizens' Utility Board, a consumer-
2 controlled utility watchdog group, you may add from four (\$4.00) dollars
3 to one hundred (\$100.00) dollars to your payment on this bill as a mem-
4 bership fee. Your contribution will be automatically transferred to the
5 Citizens' Utility Board. Your contribution does not go to (name of
6 utility) nor does this transfer cost (name of utility) any money."

7 (b) At least four (4) times per year each utility subject to this
8 chapter shall include an explanatory enclosure in each bill describing
9 the Citizens' Utility Board. This enclosure shall be designed and writ-
10 ten by the CUB and may be or include an envelope addressed to the CUB.

11 (c) Each utility subject to this chapter shall print on the back-
12 side of its periodic customer billing envelope a statement provided by
13 CUB. This statement shall read: "Notice: Important CUB information
14 enclosed!" This statement shall be of a type no larger than the largest
15 type appearing on the utilities periodic customer billing during the past
16 six months.

17 (d) Each utility subject to this chapter shall transfer the monies
18 accumulated in the utility board account to the Citizens' Utility Board
19 every thirty (30) days. It shall also within the time period stated
20 transfer to the Citizens' Utility Board the names and addresses of those
21 consumers who have made contributions to the Citizens' Utility Board
22 account, along with the amount given by each.

23 (e) The type, style, and size of the CUB statements cited in this
24 section and their location on the bill and envelope, where not specified
25 by this chapter, shall be determined by the Citizens' Utility Board or
26 its authorized agent. The size of the type can be no larger than the
27 largest type appearing on the utility company's bill during the past
28 twelve (12) months.

29 (f) The enclosure furnished by CUB under this section may not be
30 submitted to the utility less than fourteen (14) calendar days in ad-
31 vance of the date of the beginning of the utility's periodic customer
32 billing cycle.

33 (g) The enclosure shall be of a size compatible with the utility's

1 mailing envelope, and shall otherwise conform to the specifications of
2 the utility's billing enclosure inserting equipment. The total weight
3 of the enclosure shall not exceed one-half (1/2) ounce.

4 (h) The enclosure or statement furnished by the Citizens' Utility
5 Board under this section shall be used solely to:

6 (i) inform the ratepayer of the purpose, nature and activities of
7 the Citizens' Utility Board, of the utility companies, and of the
8 utility regulatory agencies; and

9 (ii) inform the ratepayer that he or she and others in his or her
10 household may contribute money to the Citizens' Utility Board. The
11 enclosure, statement or equivalent shall not state that an amount is
12 owed by the ratepayer.

13 The content of all such enclosures and statements must be approved
14 prior to distribution by the utility regulatory agency with jurisdiction
15 over the utility in whose billings it will be included. Said approval
16 may not be unreasonably withheld.

17 (i) When a utility includes enclosure or the equivalent in a
18 periodic bill, it shall have the right to be reimbursed by CUB for its
19 insertion expenses. It shall also have the right to be reimbursed for
20 postage when the CUB enclosure exceeds .35 ounces. If the CUB enclosure
21 exceeds .35 ounces then it shall be required to reimburse the utility
22 for postage costs over and above what the utility's postage costs would
23 have been had the enclosure weighed only .35 ounces. The utility shall
24 submit a detailed and itemized bill to CUB for the cost of insertion and
25 postage. Then CUB and the company shall agree upon an amount of reim-
26 bursement by negotiation if possible, or else by a civil proceeding in
27 the superior court.

28 (j) The Citizens' Utility Board shall reimburse a utility company
29 only to the extent that the costs claimed by the company are specifically,
30 directly and verifiably attributable to the cost of the mailings described
31 in section 39-21-11 of this chapter.

32 (k) No utility, officer, or employee of such utility may in any way
33 interfere with the utility service received by or in any way penalize

1 any consumer contributing to the Citizens' Utility Board or participat-
2 ing in its activities.

3 (1) No utility, officer, or employee of any utility subject to
4 this chapter may in any way interfere with or hinder the collection of
5 contributions to the Citizens' Utility Board or in any way change its
6 mailing procedures if the change will result in undue hindrance of the
7 collection of said contributions.

8 (m) The Citizens' Utility Board may seek contributions from indi-
9 vidual consumers as provided in this chapter or in any other manner that
10 the CUB Board of Directors shall determine except that CUB shall not
11 seek funds through door-to-door solicitation. No foundation directly
12 controlled by any utility shall provide grant money to the CUB. CUB
13 shall accept no money from such foundation.

14 39-21-12. Board of directors. -- (a) Establishment and number.

15 There is hereby created a board of directors which shall be elected by
16 the members of the Citizens' Utility Board, except as hereinafter pro-
17 vided. The board of directors shall consist of twenty-five (25) members
18 who shall be elected by the members of the Citizens' Utility Board, one
19 from each electoral district established herein.

20 (b) Terms of office.

21 The first elected board of directors shall draw lots to determine
22 which half of the membership of the board will serve one (1) year terms
23 and which half will serve two (2) year terms. Elections shall be held
24 annually to fill the positions of the board members whose terms expire
25 in that year. Thereafter, all terms shall be for two (2) years. No
26 director shall serve more than three (3) consecutive terms.

27 (c) Nomination.

28 (1) Interim directors. There shall be twelve (12) interim direc-
29 tors, three (3) appointed by the governor, one (1) appointed by the
30 attorney general, three (3) appointed by the majority leader of the
31 senate, three (3) appointed by the speaker of the house, one (1)
32 appointed by the minority leader of the senate and one (1) appointed
33 by the minority leader of the house. All interim directors shall be

1 appointed within sixty (60) days of the effective date of this chapter.
2 If the full board of directors is not appointed within sixty (60) days,
3 the directors who have been appointed shall nominate candidates, and
4 approve by majority vote the remaining number of directors. The func-
5 tion of the interim board shall be to recruit members, solicit funds
6 and conduct the first election of the elected board of directors. The
7 interim directors shall hire an interim executive director and any other
8 interim staff to assist with membership recruitment, solicitation of
9 funds and conduct of the first election of the elected board of directors.

10 (2) Elected directors.

11 (i) Once residential and small business utility consumers have con-
12 tributed ten thousand dollars (\$10,000) or within nine (9) months after
13 the appointment of the first interim director, whichever comes first,
14 an election by the members of the corporation shall be promptly held
15 to elect the board of directors.

16 (ii) The board shall be comprised of twenty-five (25) elected
17 members, each of whom shall represent the interests of the utility
18 consumers in the electoral district from which he was elected.

19 (iii) The electoral districts which shall be used for the selection
20 of members of the CUB board of directors shall be composed of groupings
21 of four (4) representative districts each, by district number. One (1)
22 member of the board of directors shall be elected from each such elec-
23 toral district by the residential utility consumers residing within
24 said district. All candidates for director must reside within the elec-
25 toral district or have a place of business in the electoral district
26 from which he or she seeks election and must be a residential or small
27 business utility consumer.

28 (iv) Members of the corporation shall vote for directors by a
29 secret mail ballot, by a procedure to be established by the board of
30 directors.

31 (3) Financial disclosure of the candidates for the board.

32 (i) Each candidate for the board of directors shall file a state-
33 ment of financial interest in accordance with the provisions of this

1 chapter no less than sixty (60) days, and no more than one hundred and
2 twenty (120) days, prior to the election of directors.

3 (ii) A statement of financial interests shall include:

4 (A) The information required to be disclosed by public officials
5 pursuant to the conflict of interest law, and

6 (B) a detailed list of any business or financial relationships
7 with any public utility, organization of public utilities, or representa-
8 tives of public utilities including attorney, legislative agent, officer,
9 or director.

10 (4) Financing of elections.

11 (i) The Citizens' Utility Board shall mail to each member a list of
12 candidates running for election within the member's district, as well as
13 a summary prepared by the Citizens' Utility Board of each candidate's
14 statement of candidacy. The costs of such mailing shall be borne by the
15 Citizens' Utility Board.

16 (ii) In addition to the assistance provided each candidate by such
17 a mailing, each candidate may spend, accept, or use or may allow anyone
18 to spend, accept, or use on her or his behalf, campaign resources whose
19 value equals an amount which is not more than the number of members in
20 the candidate's district times one and one-half ($1\frac{1}{2}$) times the cost of
21 postage for a one (1) ounce first class mailing.

22 (iii) Each member who is a candidate for election to the board of
23 directors shall certify, under penalty of perjury, that the total value
24 of the campaign resources spent, accepted, or used by the candidate,
25 combined with the total value of campaign resources spent, accepted, or
26 used by any person or group authorized by or acting for the candidate,
27 does not exceed the limit set forth in subpart (ii) of this part.

28 (iv) Each candidate shall file campaign finance contribution and
29 expenditure reports in conformance with chapter 17-25 of the general
30 laws.

31 (d) Election procedures.

32 (1) Upon receipt of a petition signed by fifty (50) members of the
33 CUB from a district endorsing the candidacy of a particular member for

1 election to the board of directors, the board shall declare such nomina-
2 tion in effect. No member of the corporation shall sign more than one
3 (1) petition of candidacy.

4 (2) The interim board shall develop standards to provide for ade-
5 quate time and for a process for nomination and elections. After the
6 first election of a board of directors, the board shall develop elec-
7 tion procedures and standards which shall be approved by a majority of
8 the members of the corporation.

9 (e) Eligibility.

10 (i) No employee, board member, or officer of a utility shall be
11 eligible for election to the board of directors; and

12 (ii) No shareholder or bondholder of a utility shall be eligible
13 for election to the board of directors unless such interest is disclosed
14 clearly in that member's statement of financial interests.

15 (f) Vacancies. To fill any vacancy occasioned by the failure of
16 any person elected as a director to qualify, or in the event of death,
17 removal, resignation, or disqualification of any director, a successor
18 shall be nominated from the same district, as provided in subsection (d)
19 part (1) of this section, and selected by a two-thirds (2/3) majority
20 of the remaining members of the board to serve until the next annual elec-
21 tion whereupon any unexpired term will be filled by membership secret
22 ballot and from nominees selected in accordance with this chapter.

23 (g) Powers. The board shall have the power to manage the affairs
24 of the corporation, including the power to adopt by-laws which shall
25 not conflict with this chapter and which shall be subject to approval
26 or amendment by a majority of those members voting in an election.
27 There shall be a fair procedure established by the board for by-law
28 amendments to be proposed by initiative petition from the members.

29 (h) Duties. The board shall have, among others, the following
30 duties:

31 (1) to submit to the members on an annual basis a financial report
32 for such period; and

33 (2) to submit to the members on an annual basis a summary of its

1 activities for the preceding year; and

2 (3) to keep minutes, books and records which will reflect all of
3 the acts and transactions of the board and which shall be subject to
4 examination by any member; and

5 (4) to prepare quarterly statements of the financial and substan-
6 tive operations of the corporation and to make copies of each available
7 to the members and the public; and

8 (5) to cause its books to be audited by a competent certified pub-
9 lic accountant at least once each fiscal year. In addition, complete
10 minutes of the meetings shall be open to the public, including meetings
11 of all subcommittees. In addition, complete minutes of the meetings
12 shall be kept and distributed to all public libraries of the state on
13 an annual basis. All reports, studies, and financial data shall be open
14 to public inspection during regular business hours.

15 (i) Annual report. The board shall, as soon as practical after the
16 close of the fiscal year, prepare an annual report and mail said annual
17 report to each public library in the state.

18 (j) Recall. Members of the board of directors can be removed by
19 petition of fifty (50%) percent plus one (1) of the total members vot-
20 ing in the last election from the district from which that director was
21 elected. No petition for recall may be filed within six (6) months of
22 the election of the director.

23 (k) Bonding. Directors and staff eligible to disburse funds shall
24 be bonded. The cost of such bonds shall be paid by the consumer utility
25 board and the amount of said bonds shall be determined by the members of
26 the corporation.

27 (l) The board of directors may establish and revise reasonable rates
28 of reimbursement for expenses related to service on the board. Reim-
29 bursable expenses may include child or dependant care, travel, photo-
30 static reproduction, postage, and educational activities and materials.
31 Members of the board may not receive compensation for their services.

32 (m) The board of directors shall sponsor an annual fundraising/
33 membership drive event with the approval of two-thirds (2/3) of the
34 board members.

1 (n) Each member of the board of directors and the executive direc-
2 tor shall file annually with the board of directors and with the appro-
3 priate state agency a current financial statement which includes infor-
4 mation required by the state.

5 (o) Meetings of the board of directors shall be subject to the
6 Rhode Island open meetings law.

7 39-21-13. Consumer complaints. -- Whenever the Citizens' Utility
8 Board receives from a member any nonfrivolous written complaint, it shall
9 promptly transmit such complaint or information to the appropriate util-
10 ity regulatory agency. Such utility regulatory agency shall inform the
11 Citizens' Utility Board of the final disposition of complaints trans-
12 mitted pursuant to this section.

13 39-21-14. Limitations. -- Nothing in this chapter shall be con-
14 strued to limit the right of any consumer or group or class of consumers
15 to initiate, intervene in, or otherwise participate in any utility regu-
16 latory agency or court proceeding or activity, nor to require any petition
17 or notification to the Citizens' Utility Board as a condition precedent
18 to such a right, nor to relieve any utility regulatory agency or court
19 of any obligation, or affect its discretion to permit intervention or
20 participation by a consumer or group or class of consumers in any pro-
21 ceeding or activity.

22 No CUB funds shall be used to prepare or distribute any material
23 which advocates or encourages political activity in support of or in
24 opposition to any candidate for public office or any ballot question or
25 any issue pending before a public body other than a utility regulatory
26 authority.

27 The CUB, its board of directors, or any member thereof, and its
28 agents and employees, acting in its, or his or her official capacity,
29 shall not endorse or support a candidate for elected public office.

30 No member of the board of directors may simultaneously hold or be
31 a candidate for an elected state public office.

32 39-21-15. Ownership of utility stock. -- Nothing in this chapter
33 shall be deemed to preclude the ownership by the corporation of one

1 (1) share of stock in each utility doing business in the state.

2 39-21-16. Severability. -- If any section, clause, provision or
3 term of this chapter shall be declared unconstitutional in whole or in
4 part, then to the extent that it is not unconstitutional it shall be
5 valid and effective and no other section, clause, provision or term
6 shall on account thereof be deemed invalid.

7 39-21-17. Accountability. -- (a) Members of the CUB and its board
8 of directors shall comply with the provisions of this chapter. Willful
9 noncompliance by a member of the CUB or a director or officer of the
10 CUB shall be punishable by civil action, the penalty not to exceed
11 five thousand dollars (\$5,000.00); and

12 (b) Any utility, utility company employee, director or officer,
13 or agent of a utility company who shall, knowingly and willingly, vio-
14 late a section of this chapter is punishable under the same provisions
15 as outlined in 39-21-17(a).

16 39-21-18. Annual audit. -- The CUB shall be audited no less fre-
17 quently than annually by the auditor general of the state. The CUB, its
18 board of directors, and its duly authorized agents and employees shall
19 comply with all reasonable requests for information regarding the man-
20 agement, operation, and finances of the CUB made by the auditor general.

21 SECTION 2. This act shall take effect upon passage.

EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

AN ACT

CREATING THE CITIZENS' UTILITY BOARD, INC.

1 This act creates a nonbusiness corporation to be called the Citizens'
2 Utility Board, Inc. consisting of Rhode Island residential consumers
3 who will, in essence, be a watchdog to protect the interest of all
4 consumers at the proceedings of utility regulatory authorities.

5 This act would take effect upon passage.