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'Could cost me my businesses': RI small biz owner fighting surprise \$19K electric bill

by: [Sarah Guernelli](#)

Posted: Mar 23, 2023 / 05:30 PM EDT

Updated: Mar 24, 2023 / 04:08 PM EDT

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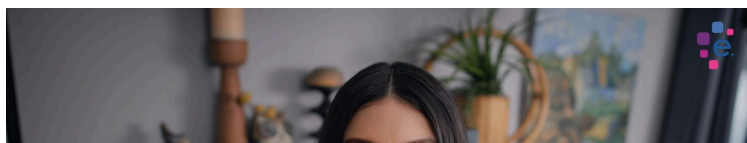
PROVIDENCE, R.I. (WPRI) — Milena Pagan, the owner of Providence restaurant Little Sister, was shocked when she opened up a stack of electricity bills from Rhode Island Energy last year.

The total: \$19,053.

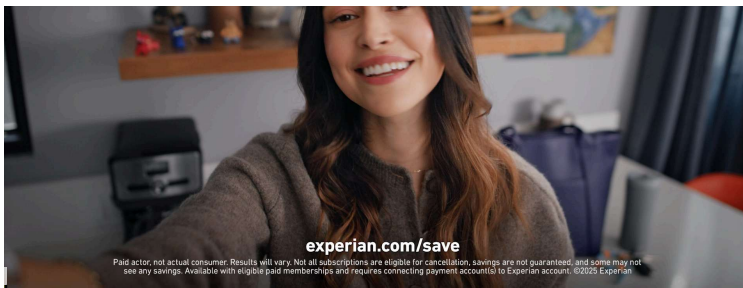
Pagan told 12 News she had been paying her electricity bills on time and the expensive bills came without warning.

"It's astounding," she said.

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According to Rhode Island Energy, the utility company had been estimating her monthly bills based on a prior tenant's lower usage for about two years. When a technician was sent out in June 2022 to get an actual reading, the company realized its estimates were far too low, which triggered the massive retroactive billing.

"One hundred percent this could cost me my business, because at the end of the day I'm just a little guy — they're the big guy," she said.

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Now, Pagan is fighting the bill by taking the issue to state regulators.

"I put in a complaint with [the state] in early December," Pagan said.

The R.I. Division of Public Utilities and Carriers oversees complaints regarding Rhode Island Energy's practices. The regulator has the authority to investigate a utility service and their billing.

Pagan said that at her preliminary hearing in March, Rhode Island Energy offered her a payment plan to chip away at the massive bill. The expectation is that she would pay more than \$600 a month until the bill is fully paid off.

The issue has landed on the radar of the R.I. Attorney General, which gets involved in ratepayer-related issues.

"Although we do not represent Little Sister, who is entitled to obtain its own legal counsel, we are interested in ensuring that the consumer is protected and treated fairly, and the utility complies with all of its legal obligations," the Attorney General's spokesperson Brian Hodge said in a statement.

"The office of the attorney general takes seriously any issue where a consumer or a small business is hurt by 'surprise billing' or by potentially onerous or improper billing practices," he added.

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So far Pagan has rejected Rhode Island Energy's offer to enter into a payment plan, saying she still doesn't believe she should be at fault for the billing issue.

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"I am not convinced that the bills are legitimate. I am not convinced they're correct, and so I can't pay them until I'm convinced," she said.

Pagan's situation is a cautionary tale for any ratepayer taking over a new business or residential space: There is currently no law in place that prevents Rhode Island Energy from retroactively billing a consumer, regardless of the amount and time, unless there's an issue with the meter.

Rhode Island Energy spokesperson Evelyn Garcia said they tested Pagan's meter and determined it was "not faulty or malfunctioning," which they argue means the business owner is on the hook for the billing discrepancy.

"Since the meter is accurate, the customer is responsible for the usage," Garcia said.

Pagan's next hearing at the DPUC is scheduled for April 17.

"In what universe is a public utility being pitted against its consumers to that degree?" Pagan asked.

Sarah Guernelli (sguernelli@wpri.com) is the Target 12 consumer investigative reporter and co-anchors 12 News at 6:30. Connect with her on [Facebook](#), [Instagram](#), [X/Twitter](#) and [Bluesky](#).

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2025 -- H 6361

LC002951

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- REGULATORY POWERS OF ADMINISTRATION

Introduced By: Representative Rebecca M. Kislak

Date Introduced: May 23, 2025

Referred To: House Corporations

(by request)

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 39-3 of the General Laws entitled "Regulatory Powers of
2 Administration" is hereby amended by adding thereto the following section:

3 **39-3-37.4. Electric and gas meter reading required quarterly.**

4 (a) Every electric and natural gas distribution public utility shall read, record and update
5 utility billing on quarterly scheduled intervals. Bills shall be forwarded promptly.

6 (b) A utility company which estimates bills shall file with the PUC a current, simple, clear
7 and concise statement of their formula used in preparing estimated bills.

8 (1) Estimated bills for ratepayers shall consist of charges for utility services calculated in
9 accordance with the formula approved by the PUC.

10 (2) Estimated bills may be submitted to ratepayers for months when the quarterly reading
11 is not scheduled or conducted.

12 (c) In the event the utility fails to read the meter on a quarterly basis, they shall not demand,
13 collect or require payment of any balance in excess of the amount required by the prior estimated
14 monthly bills. Any amount otherwise due for use in excess of the estimated monthly bill shall be
15 forfeited for any period in which the electric or natural gas distribution utility failed to read the
16 ratepayer's meter.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- REGULATORY POWERS OF
ADMINISTRATION

1 This act would require a natural gas and electric utility company to read the meters of all
2 ratepayers on a quarterly basis. The utility would be required to provide a formula, used to create
3 estimated bills, to the PUC in order to send estimated bills.

4 This act would take effect upon passage.

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STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS

Administration

89 Jefferson Boulevard

Warwick, Rhode Island 02888

(401) 941-4500

(401) 941-9207 – Fax

May 29, 2025

The Honorable Joseph J. Solomon, Jr.
Chairman – House Committee Corporations
State House
Providence, R.I. 02903

Re: **House Bill 6361** – An Act Relating to Public Utilities and Carriers - Regulatory Powers of Administration

Dear Chairman Solomon:

The Division is opposed to H-6361 which would, as written, potentially replace monthly with quarterly billing for electric and gas customers.

A major concern is the affordability of bills that reflect three months of accumulated charges. Additionally, monthly price signals are a benefit to consumers who may be able to adjust usage. While one aspect of the proposed legislation would place a time limit on estimated meter readings, we suggest this issue would be better addressed in regulatory proceedings.

The vast majority of gas and electric bills are issued monthly with data generated by actual meter readings. Occasionally for operational reasons, or in instances when the transmitting device on a meter ceases to function, an estimated reading is employed based on historical usage. In some circumstances, multiple estimated readings have been used when there have been issues limiting distribution company access to the meter, or other technical reasons.

Currently in the Division's Gas Rules *Standards for Gas Utilities, Master Meter Systems and Jurisdictional Propane Systems (815-RICR-20-00-1)* is a provision that estimated bills will not exceed 6 consecutive months on any residential, commercial, or industrial account. Additionally, the distribution company is directed to address any issues with non-reporting meters within two months.

The corresponding electric rules *Standards for Electric Utilities (815-RICR-30-00-1)* currently do not have limits on the number of estimated readings. The Division has been looking into alignment of these provisions to establish similar limits on estimated readings for electric service. Both the gas and electric rules have extensive standards for meters and provisions for meter testing.

The Division believes the proper means to address this issue is through amendment of existing regulation which allows for a discussion of the best provisions going forward to address the needs and concerns of customers and regulated entities.

Sincerely,

A handwritten signature in blue ink that reads "Linda George". The signature is written in a cursive, flowing style.

Linda George, Esq.
Administrator, RI Division of Public Utilities and Carriers

CC: The Honorable Representative Rebecca M. Kislak
The Honorable Members of the House Committee on Corporations
Nicole McCarty, Esq., Chief Legal Counsel

S-2641 09

SENATOR
SAMUEL D. ZURIER
District 3

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State of Rhode Island



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Committee on Rules
Government Ethics & Oversight

SECRETARY
Committee on Education

Committee on Finance

Committee on Artificial Intelligence &
Emerging Technologies

August 23, 2025

Linda George, Esq.
Administrator
R.I. Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI 02888

Re: House Bill 2025-6361

Dear Ms. George:

My constituent Milena Pagan asked me to review Bill H-6361, which was heard earlier this year in the House of Representatives Corporations Committee. As you may recall, the bill proposed establishing standards for the way utilities estimate bills. As part of the record, you submitted a letter (dated May 29) opposing the legislation, stating that it would be a better practice to address the matter through regulation, as DPU previously had with respect to gas utilities. Rhode Island Energy also opposed the bill, stating that the bill's regulations were unduly burdensome and/or unnecessary.

As you know, my constituent was harmed by the current lack of standards when Rhode Island Energy failed to read her meter for 22 months, before taking an actual reading that was significantly higher than the estimates. Rhode Island Energy then issued a make-up bill for more than \$19,000. She relates to me that she met with DPU to resolve this, at which time DPU acknowledged its regulation of estimated bills for gas customers, but not for electric customers. I therefore find it unfortunate that DPU failed to enact regulations during the intervening period of almost two years prior to the House of Representatives hearing on H-6361.

While Rhode Island Energy also opposed the bill, it is worth noting that the company's parent, PPL Corporation, is able to operate successfully in Pennsylvania under Chapter 56 of that state's public utilities code. That statute that requires utilities to engage in the following practices concerning estimated bills:

- The standard is to bill on the basis of actual readings, absent an exception. §56.12.

- The first exception is to allow estimates every other month, provided the utility offers the customer the opportunity to report actual usage in lieu of the estimate. The statute provides a framework for customer-provided estimates. §56.12(2).
- The second and third exceptions allow for estimates in exigent circumstances or when utility personnel are unable to gain access to the meter (neither of which would have applied in my constituent's circumstance). §56.12(3), (4).
- When a public utility issues a make-up bill for four or more consecutive estimated bills, and the make-up bill exceeds the estimated bill by at least 50% or \$50, the customer may choose to amortize the bill either over the period during which the excess amount accrued, or so that the monthly payments do not exceed the estimated bill by greater than 50%. §56.14.

Had these rules been in effect, then Ms. Pagan would have had a minimum of 22 months in which to amortize the shortfall due to Rhode Island Energy's reliance on estimates, and possibly longer if the make-up bills exceeded the 50% threshold. As stated before, Rhode Island Energy should approve this regulation enthusiastically, as it would match exactly what its parent already does in Pennsylvania.

With that in mind, I would like to know whether DPU plans to issue regulations concerning electricity estimated billing and, if so, on what schedule. I also would like to know, if regulations are planned, what basic framework DPU expects to propose. Alternatively, I would like to know if DPU will support legislation based on the Pennsylvania framework.

Your prompt attention is appreciated. Thank you for your consideration.

Sincerely,



Samuel D. Zurier
Rhode Island Senate
District 3

cc: Honorable Rebecca Kislak
Honorable Joseph Solomon
Milena Pagan (via email)



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS

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September 24, 2025

The Honorable Samuel D. Zurier
Rhode Island Senate
State House
Providence, R.I. 02903

Re: **2025 H-6361 & DPUC Regulatory Process**

Dear Senator Zurier:

On behalf of the Division of Public Utilities and Carriers (“**Division**”), I thank you for your time and consideration in providing your August 23, 2025 correspondence concerning 2025 House Bill No. 6163 (“**H-6361**”) and potential Division efforts relating to the intent of that proposed legislation. I write today to provide you with a summary of the scope and timeline of the Division’s next steps.

As you helpfully summarized in your correspondence, H-6361 proposed establishing standards for the reading and timeliness of utilities’ estimated billing practices. Relatedly, you noted that one of your constituents received a substantial electric bill consisting of twenty-two (22) months of estimated meter reads. The Division reviewed this billing matter within Division docket D-23-03, wherein the Division acknowledged that pursuant to [815-RICR-20-00-1](#) (gas) and [815-RICR-30-00-1](#) (electric) of the *Division’s Rules of Practice and Procedure* (“**Division Rules**”), estimated billing limitations are currently established for gas utility service, but not for electric.

Accordingly, I can confirm that the Division has already begun drafting language and related rulemaking memoranda that will establish estimated billing limitations for electric utilities that mirror those currently in place for gas. Specifically, the Division intends to replicate 815-RICR-20-00-1.4, which states: “[e]stimated bills will not exceed 6 consecutive months on any residential, commercial, or industrial account.”

As you are aware, all regulatory submissions must proceed through the comprehensive rulemaking process managed by the Office of Regulatory Reform (“**ORR**”). The standard timeline¹ for ORR rulemaking

¹ A detailed summary can be found here: [ORR Regulatory Review Process](#)

includes initial review, a public comment period, and final review. The Division anticipates submitting the estimated billing limitation language to ORR this fall. Our team will endeavor to expedite the rulemaking process, but we note that the ORR timeline requires roughly a minimum of 110 days for a rule to receive final approval and take effect.

Separately, I will also highlight the Division's oversight of Rhode Island Energy's ongoing Advanced Meter Functionality ("AMF") program. This program will update customer meters across the state, providing increased reading frequency, accuracy, and timeliness. As a result of AMF installations, estimated read billing should decline in occurrence. In circumstances where estimated reads are utilized across consecutive months, the Division's regulatory language will establish a reasonable limitation that protects ratepayers.

In light of these regulatory efforts, the Division does not anticipate submitting agency-stamped legislation similar to the intent of H-6361 for the 2026 General Assembly session. Relatedly, the Division cannot comment on potential legislation that would reflect Chapter 56 of Pennsylvania's public utilities code at this time. Should such legislation be introduced, the Division will certainly fully consider the proposal as part of the comprehensive legislative review process that our team initiates for all Division-related matters.

Thank you again for your continuing efforts on behalf of your constituents and ratepayers. The Division is committed to advocating for our ratepayers whenever possible, and we appreciate your initiating this regulatory solution for electric utility customers.

Sincerely,



Linda George, Esq.
Administrator, RI Division of Public Utilities and Carriers

Cc. Steven Hayes, Esq., Chief Legal Counsel to the Senate President
Margaret Hogan, Esq., Administrative and Legal Services Support Administrator, DPUC

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State of Rhode Island



Senate Chamber

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Government Ethics & Oversight

SECRETARY
Committee on Education

Committee on Finance

Committee on Artificial Intelligence &
Emerging Technologies

February 4, 2026

Linda George, Esq., Administrator
R.I. Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI 02888

Re: Electric Utility Billing Standards

Dear Ms. George:

Thank you for your letter of September 24 informing me of the Division's plans to issue regulations establishing electric utility billing standards. I would appreciate an update concerning the Division's expected timetable to completion, as well as any information you can provide concerning the expected content of the regulation.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Samuel D. Zurier".

Samuel D. Zurier
Senator District 3

SDZ/nc

cc: Milena Pagan (via email: milena@littlesister.com)

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