

that the Company's failure to meet its annual On-Cycle Meter Read benchmark was due to a force majeure event and approved the Company's request for relief from the automatic penalty.

2. National Grid's June 22, 2018, Filing

In support of its filing, National Grid submitted the prefiled testimony of Gary Bennett, Director of Customer Meter Services.² Mr. Bennett explained that the Gas Service Quality Plan was designed to ensure that the Company's gas customers receive a reasonable level of service and is comprised of five key aspects: service measures, benchmark standards, a penalty for not meeting benchmark standards, the penalty weight for each measure, and the time period for measuring performance.³ The "On-Cycle Meter Read" metric measures the ratio of actual meter reads to the number of meters assigned to be read.

When first established by the PUC in 2003, the benchmark for meter reads was 94.52 %, with a penalty threshold of 93.30 %. The benchmarks are reset each year, based upon the prior three years of meter reading performance, utilizing one standard deviation to set the penalty threshold. Because the Company has consistently achieved or exceeded its On-Cycle Meter Read benchmark, the benchmark has increased. The current service quality benchmark for On-Cycle Meter Read is 98.70 % over the Service Quality Plan fiscal year, with a penalty threshold of 98.53%.

Mr. Bennett explained that each month the Company reads approximately 278,000 gas meters, either through an electronic automated meter reader (AMR), which uses a radio signal to transmit the meter reading to a Company vehicle as it passes by the meter, or via an electronic meter reading process, wherein a pedestrian meter reader reads the meter and enters the information on a

² Direct Test. Gary Bennett (June 22, 2018); [http://www.ripuc.org/eventsactions/docket/3476-NGrid-RequestRelief-Q4Rept\(6-22-18\).pdf](http://www.ripuc.org/eventsactions/docket/3476-NGrid-RequestRelief-Q4Rept(6-22-18).pdf).

³ *Id.* at 3-4.

handheld meter reading device.⁴ The Company dispatches between fifteen and seventeen meter readers each month.

The October Storm caused the company to dispatch its meter reading personnel to secure areas with downed wires until qualified repair crews could effectuate repairs. During the week of October 30, 2017, the Company responded to more than 5,000 calls of downed wires. Consequently, the diverted meter reading personnel could not perform any meter readings for a period of five days. Therefore, the Company's November meter readings fell far short of the benchmark, with a read rate of 83.17 %, resulting in the Company's failure to achieve its annual On-Cycle Meter Read benchmark of 98.70%.

The Company contended that the October Storm constituted an exogenous event or force majeure event and that the Company should, therefore, be granted relief from the penalty that will otherwise occur for failure to meet its annual benchmark. The Company reported that the October Storm was far more severe and widespread than predicted by all reliable weather forecasts and impacted approximately 176,247 customers throughout thirty-eight of its Rhode Island service territories. With more than two hundred distribution feeders affected, the October Storm impacted more customers than Hurricane Sandy in 2012 and caused more physical damage to the Company's poles than Tropical Storm Irene in 2011.⁵ The Company explained that the October Storm presented significant challenges for the Company because the weather rapidly escalated to a severe event, beyond all expected forecasts, and affected all of the Company's communities within a very short period of time.⁶ The Company argued that because its historical five year average for meter

⁴ *Id.* at 5.

⁵ *Id.* at 8.

⁶ *Id.*

readings was 98.70%, but for the October Storm, it would have achieved an annual performance above the penalty threshold.

3. Division of Public Utilities and Carriers

The Division's memorandum indicated that subsequent to the Company's filing, the Division obtained the actual meter reading information for the plan year to verify the Company's claim.⁷ The records indicated that the annual scheduled meter reads totaled 3,362,503, with 74,681 scheduled for the week of the October Storm. When the 74,681 reads scheduled for the week of October 30, 2017, are removed from the calculation, the Company's actual meter reads hits the 99.58 % mark. The Division concluded that the October Storm qualified as an exogenous event that caused the Company to fall below the On-Cycle Meter Read penalty threshold and recommended approval of the Company's request for penalty relief.

4. The Commission's Findings

On August 9, 2018, the PUC held an Open Meeting to discuss the Company's proposal and the Division's recommendation. Chairperson Curran remarked that the storm was far worse than predicted or anticipated and that it unexpectedly took down huge numbers of wires. She concurred with Commissioner Anthony that it would not make sense for the PUC to penalize the Company for focusing on public safety by re-assigning meter reading personnel from routine meter-reading duties, to stand watch over downed electric wires. Commissioner Anthony noted that the Division's report concerning the October Storm, issued by Gregory L. Booth, P.E. of Power Services, applauded the Company's safety-focused efforts regarding the downed wires. She specifically referenced the following Power Service's statement: "Our review indicates that the

⁷ [http://www.ripuc.org/eventsactions/docket/3476-DIV-Memo\(7-30-18\).pdf](http://www.ripuc.org/eventsactions/docket/3476-DIV-Memo(7-30-18).pdf).

sequence of work, as outlined by the ERP, appears to have been followed in that live wires and public safety hazards were addressed first. In fact, the Company seems to have done an excellent job of this in that they would utilize metering technicians to stand watch over downed lines until they could be cleared by qualified personnel.”⁸ The Commission found that the Company’s failure to meet its annual meter reading benchmark was due to a force majeure event and that the Company had met its burden in establishing that the associated penalty should be waived. The Commission voted unanimously to grant the relief sought.

In reviewing this docket, a question arose as to whether the maximum penalty originally established in Order 17605, issued on November 21, 2003, was correctly described in the Order and whether the amount requires updating. Additionally, Commissioner Anthony suggested that the Commission review whether or not the current penalty thresholds, which have increased significantly since 2003, ought to be amended. Chairperson Curran noted that the Gas Service Quality Plan was designed to address issues that may no longer be relevant today. Future proceedings in this docket will address those issues.

⁸ Power Services Report at 35 (Mar. 26, 2018); http://www.ripuc.org/eventsactions/docket/D_17_45_NG_Resp.pdf.

Accordingly, it is hereby

(23437) ORDERED:

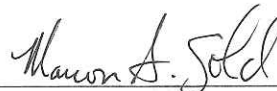
The Company's Request for a Waiver of the Penalty for failure to achieve its annual benchmark for meter reading for 2018 is hereby waived.

EFFECTIVE AUGUST 9, 2018 IN WARWICK, RHODE ISLAND PURSUANT TO A BENCH DECISION ON AUGUST 9, 2018. WRITTEN ORDER ISSUED FEBRUARY 22, 2019.

PUBLIC UTILITIES COMMISSION



Margaret E. Curran, Chairperson



Marion S. Gold, Commissioner



Abigail Anthony, Commissioner



NOTICE OF RIGHT OF APPEAL: Pursuant to R.I. Gen. Laws §39-5-1, any person aggrieved by a decision or order of the PUC may, within seven days from the date of the order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.