

November 12, 2014

BY HAND DELIVERY AND ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888


RE: Docket 4290 – LIHEAP Enhancement Charge For Calendar Year 2015 Responses to PUC Data Requests – Set 1

Dear Ms. Massaro:

On behalf of National Grid¹, I have enclosed responses to the first set of data requests issued by the Rhode Island Public Utilities Commission on October 21, 2014 in the above-referenced matter.

Thank you for your attention to matter. If you have any questions, please contact me at (781) 907-2121.

Sincerely,



Raquel J. Webster

Enclosure

cc: Docket 4290 Service List
Steve Scialabba
Leo Wold, Esq.

¹ The Narragansett Electric Company d/b/a National Grid.

Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate was electronically transmitted to the individuals listed below.

Copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities Carriers.

Joanne M. Scanlon

November 12, 2014

Date

**Docket No. 4290 – Office of Energy Resources – LIHEAP Enhancement
Charge Filing Service List updated 10/08/14**

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The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4290
In Re: Office of Energy Resources Proposed
LIHEAP Enhancement Charge for Calendar Year 2015
Responses to Commission's First Set of Data Requests
Issued on October 21, 2014

PUC 1-1

Request:

Please provide National Grid's monthly electric customer count (as defined by OER in its October 2014 filing in this docket) by class, for 2012, 2013 and January through September 30, 2014.

Response:

Please see Attachment PUC 1-1 for monthly electric customer count by class for 2012, 2013, and January 1, 2014 through September 30, 2014.

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PUC 1-2

Request:

Please provide National Grid's monthly natural gas customer count (as defined by OER in its October 2014 filing in this docket) by class, for 2012, 2013 and January through September 30, 2014.

Response:

Please see Attachment PUC 1-2 for monthly gas customer counts by class for 2012, 2013, and January 1, 2014 through September 30, 2014.

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PUC 1-3

Request:

Please provide the projected revenues that will be generated by the proposed surcharge in 2014, using the most recent actuals in the calculation with estimates as necessary for October 2014 through December 2014. Include supporting calculations (explain any assumptions). Please provide the answer for electric and gas separately.

Response:

Please refer to the Company's October 29, 2014 filing of the LIHEAP Enhancement Plan reconciliation for the period October 2013 through December 2014. The attachment to the October 29 filing included the reconciliation. Page 2 of that reconciliation provides the electric revenue generated and estimated to be generated by the surcharge for 2014. The gas revenue generated and estimated to be generated by the surcharge for 2014 is on Page 3.

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PUC 1-4

Request:

Please provide the projected revenues that will be generated by the proposed surcharge in 2015. Include supporting calculations (explain any assumptions).

Response:

For electric service, based on a 2015 LIHEAP Enhancement surcharge of \$0.73 (as proposed by the Department of Human Services), and a projected number of customer bills of 5,993,556 (approximately 499,463 customers per month), the Company estimates 2015 LIHEAP Revenue of \$4,375,296.

For gas service, based on a 2015 LIHEAP Enhancement surcharge of \$0.73 (as proposed by Department of Human Services), and a projected number of customer bills of 3,198,587 (approximately 266,549 customers per month), the Company estimates 2015 LIHEAP Revenue of \$2,334,969.

The total estimated revenue for 2015 based on forecasted customer counts, and the proposed 2015 LIHEAP Enhancement surcharge of \$0.73 is \$6,710,265.

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PUC 1-5

Request:

Please indicate the number of customer accounts for each electric and gas which were credited with the LIHEAP Enhancement and the amount of the credit for the Calendar Year 2014. Please also calculate the amount still available to be credited to customers.

Response:

Please note that to date, the Company can only provide data through September 30, 2014 because the year is not complete. From January 2014 through September 2014 the credits issued were as follows:

<u>Electric Service</u>			
	No. of Accounts	Credit Issued to Account	Total Credits Issued
	<u>3,787</u>	\$450	<u>\$1,704,150</u>
Total - Electric Service	3,787		\$1,704,150
<u>Gas Service</u>			
	No. of Accounts	Credit Issued to Account	Total Credits Issued
	<u>17,976</u>	\$450	<u>\$8,089,200</u>
Total - Gas Service	17,976		\$8,089,200
Total Electric & Gas Service	21,763		\$9,793,350

As reported in the Company's 2014 LIHEAP reconciliation, the balance in the reconciliation account as of September 30, 2014, including interest, is a credit of \$5,093,406, indicating the funds available to provide credits to eligible customers. The estimated balance in the reconciliation account as of December 2014, including estimated revenue through December 2014 and associated interest, is a credit of approximately \$6.8 million.

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PUC 1-6

Request:

Please indicate the number of customer accounts for each electric and gas which were credited with the LIHEAP Enhancement, the amount of the LIHEAP Enhancement credit, and the total amount credited for the period November 1, 2013 through October 31, 2014.

Response:

Please note that to date, the Company can only provide data through September 30, 2014 because the year is not complete. From November 1, 2013 through September 30, 2014 the credits issued were as follows:

<u>Electric Service</u>			
	No. of Accounts	Credit Issued to Account	Total Credits Issued
	84	\$150	\$12,600
	<u>3,787</u>	\$450	<u>\$1,704,150</u>
Total - Electric Service	3,871		\$1,716,750
<u>Gas Service</u>			
	No. of Accounts	Credit Issued to Account	Total Credits Issued
	440	\$150	\$66,000
	<u>17,976</u>	\$450	<u>\$8,089,200</u>
Total - Gas Service	18,416		\$8,155,200
Total Electric & Gas Service	22,287		\$9,871,950

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PUC 1-7

Request:

Please indicate whether the LIHEAP Enhancement credit was applied to any accounts during the non-moratorium period.

Response:

LIHEAP Enhancement credits are applied to accounts when the LIHEAP payments are applied and are, therefore, contingent upon when National Grid receives payment from the Rhode Island Community Action Program agencies. For the period October 1, 2013 through September 30, 2014, \$4,803,750, or nearly half of all LIHEAP Enhancement credits, was posted after May 1, 2014, outside the moratorium period.

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PUC 1-8

Request:

Please explain the difference between accounts that are classified as uncollectible and those that are classified as having arrearages.

Response:

Accounts are classified as uncollectible once the Company writes (charges) them off to the allowance for uncollectible accounts (please see the response to PUC 1-12 for a discussion of when the Company writes off an account as uncollectible). Accounts having arrearages are still active accounts, or the accounts have been issued a final bill, and the balance has yet to be paid.

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PUC 1-9

Request:

What is an inactive account? At what point does it become inactive?

Response:

Accounts can have a status of Pending, Active, Final, or Written-Off. When a meter is physically disconnected in the field, the meter status is changed from active to inactive. If the customer had requested service termination, the status of the account associated with that meter changes to Final. If the meter was disconnected due to non-payment, the account associated with the inactive meter retains Active status for seven days to allow the customer the opportunity to restore service. If service is not restored within that seven-day period, the status for the account associated with the inactive meter is changed to Final.

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PUC 1-10

Request:

At what point does an account become uncollectible?

Response:

Accounts become uncollectible at the time of write-off with the following exceptions:
(1) bankruptcy accounts are charged off the same month the account is closed, and (2) any
account can be closed and charged off manually.

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PUC 1-11

Request:

Does an inactive account differ from an uncollectible account?

Response:

Yes, an inactive account could be a final account, which is not considered uncollectible. Accounts become uncollectible at the time of write-off.

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PUC 1-12

Request:

When is an account written off? Is the process or effect different from classifying an account as inactive?

Response:

The Company writes off an account approximately 90 days after the account has been changed to Final status. Please see the response to PUC 1-9 for when an account status is changed to Final. There are two exceptions. First, bankruptcy accounts are charged off the same month the account is closed. Second, accounts can be closed and charged off manually at any time.

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PUC 1-13

Request:

What happens to an account where the customer leaves a balance and then returns months or years later? How is it classified?

Response:

Accounts are written off after three months. Therefore, if a customer leaves a balance and then returns months or years later, the customer's account would be coded as written off and sent to a collection agency. Once the customer reapplies for service at a new location, the customer is required to go through the Company's account initiation process, which will flag that the customer has a previous outstanding balance. If a customer is transferring service from one location to another, any monies owed at the current service location will also transfer to the new account. Balances from a prior account must meet certain criteria to be transferred. For example, the amount cannot be part of a bankruptcy, and the amount must be within the statute of limitations.

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PUC 1-14

Request:

Does National Grid use a collection agency? If so, please explain how that process works. How is the collection agency compensated?

Response:

National Grid uses several collection agencies. Accounts that are both final and unpaid are sent to a primary collection agency 30 or 60 days after they are final. Those accounts remain at primary collection agencies for four months, and if they remain unpaid after a ten-day waiting period, then they are sent to secondary collection agencies for an 8-month period. If the account remains unpaid after the 8-month period expires, there is another 10-day waiting period, and those accounts are sent to tertiary collection agencies for 12 months. If the balance remains unpaid after being sent to all three (3) collection agencies, and after another 10-day waiting period, then they are sent to trigger collection agencies until the state statute expires on the account.

The collection agencies earn a percentage of the payment amount collected as commission for their compensation, per their contracts.