

November 25, 2013

BY HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 4290 - Office of Energy Resources Proposed 2014 LIHEAP Enhancement Charge Responses to Commission Data Requests – Set 2

Dear Ms. Massaro:

I have enclosed National Grid's¹ responses to the Commission's second set of data requests in the above-referenced matter.

Thank you for your attention to this matter. If you have any questions regarding this filing, please contact me at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosures

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

¹ The Narragansett Electric 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 were electronically transmitted to the individuals listed below. Paper copies of this filing were hand delivered to the Rhode Island Public Utilities Commission and the RI Division of Public Utilities and Carriers.

Joanne M. Scanlon

11/25/13

Docket No. 4290 – Office of Energy Resources – LIHEAP Enhancement Charge Filing Service List updated 10/9/13

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The Narragansett Electric Company
d/b/a National Grid
R.I.P.U.C. Docket No. 4290

In Re: Office of Energy Resources Proposed LIHEAP Enhancement Charge
For Calendar Year 2014
Responses to Commission's Second Set of Data Requests
Issued November 5, 2013

Commission 2-1

Request:

Please calculate the monthly rate necessary to result in \$6.5 million in revenues in 2014.

Response:

As calculated below, the monthly rate necessary to result in \$6.5 million in revenues in 2014 is 73¢.

<u>Forecasted Customer Count</u>			
	Electric Service	Gas Service	Total
Jan-14	495,138	253,310	748,448
Feb-14	495,988	255,666	751,654
Mar-14	496,849	257,396	754,245
Apr-14	497,102	258,058	755,160
May-14	497,516	257,813	755,329
Jun-14	497,824	256,996	754,820
Jul-14	497,008	255,589	752,597
Aug-14	496,158	253,880	750,038
Sep-14	497,030	252,403	749,433
Oct-14	495,790	251,708	747,498
Nov-14	496,740	251,578	748,318
Dec-14	496,509	252,360	748,869
Total	5,959,651	3,056,757	9,016,408
Target Revenue			\$6,500,000
Monthly Customer Charge *			\$0.73
* target revenue ÷ total customer count; rounded up to achieve statutory minimum annual revenue of \$6.5 million			

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Commission 2-2

Request:

During the hearing in this docket in 2011, there was discussion regarding interest not accruing on the LIHEAP Enhancement Fund. Given the fact that there has been a balance carry-forward each year, please explain whether interest should begin accruing on this account (positive and negative) in 2014. Why or why not?

Response:

When the LIHEAP Enhancement Plan Provision was proposed by the Company in this docket in 2011, the Company did not propose to apply interest on the balance in the fund. The Company expected the balance to fluctuate from month to month and to reflect both surplus and deficit balances at various times throughout the year. The Company also expected that over the course of a 12-month period, the overall balance would be close to zero. Therefore, the application of interest would not be necessary. In addition, the enabling statute¹ was silent on whether or not interest should be provided on the balance in the fund. During the initial two years of the program, the balance in the fund has grown to approximately \$8.1 million. However, as more experience is gained regarding the administration of the program, the Company anticipates that more grants will be issued from the fund and the \$8.1 million surplus fund balance will decline over time. Therefore, the application of interest on the fund balance should not be necessary.

¹ R.I.G.L. § 39-1-27.12

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Commission 2-3

Request:

For each account which received a LIHEAP Enhancement credit in 2013, please provide the current arrearage balances as set forth below with a total dollar amount and customer account for each group.

- (a) \$0-\$500
- (b) \$501-\$1000
- (c) \$1,001-\$2,500
- (d) \$2,501-\$5,000
- (e) \$5,000+

<u>Response:</u>	Count*	Arrearage Balance*
(a) \$0-\$500	8,823	\$1,072,766.58
(b) \$501-\$1,000	1,478	\$1,063,649.21
(c) \$1,001-\$2,500	1,298	\$2,026,939.56
(d) \$2,501-\$5,000	398	\$1,337,731.92
(e) \$5,000+	79	\$507,801.88

*Count and cumulative arrearage balance includes both electric and gas accounts. Count and cumulative arrearage balance includes only those accounts receiving an enhancement that are currently active. Cumulative arrearage balance is as of October 29, 2013.