

April 30, 2021

**VIA ELECTRONIC MAIL**

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

**RE: The Narragansett Electric Company d/b/a National Grid  
Petition for Approval to Create Regulatory Assets Related to COVID-19 Impacts  
Docket No. \_\_\_\_\_**

Dear Ms. Massaro:

On behalf National Grid,<sup>1</sup> enclosed is an original and nine (9) copies of the Company's Petition requesting the Public Utilities Commission's (PUC) authorization to create regulatory assets for the future consideration and recovery of specific incremental expenses incurred as a result of the COVID-19 pandemic<sup>2</sup> from March 9, 2020, when Executive Order 20-02 was issued, through such date as the PUC determines that the conditions of the COVID-19 pandemic have dissipated such that the Company can resume normal collection activities for arrearages.

Specifically, and as further described in the Petition, the Company seeks the PUC's authorization to create regulatory assets and consideration of future cost recovery for the following COVID-19 Costs: (1) the increased cost of customer accounts receivable that the Company will be unable to collect as a result of the COVID-19 pandemic, and the executive orders and PUC orders restricting the Company's collection activities as a result of the pandemic, which will result in increased net charge-offs; (2) lost revenue from unassessed late payment charges; and (3) charges to the Company for other fees that the Company has waived pursuant to the PUC's orders in R.I.P.U.C. Docket No. 5022.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosure

cc: Linda George, Division  
John Bell, Division  
Christy Hetherington, Esq.  
Leo Wold, Esq.

<sup>1</sup> The Narragansett Electric Company d/b/a National Grid ("National Grid" or the "Company").

<sup>2</sup> The costs for which the Company seeks the creation of the regulatory assets are defined in the Petition as the "COVID-19 Costs."

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

---

**The Narragansett Electric Company  
d/b/a National Grid General Petition for  
Approval to Create Regulatory Assets Related to  
COVID-19 Impacts**

---

)  
)  
) **Docket No.** \_\_\_\_\_  
)  
)

**PETITION FOR APPROVAL TO CREATE REGULATORY ASSETS  
RELATED TO COVID-19 IMPACTS**

The Narragansett Electric Company d/b/a National Grid (National Grid or the Company) hereby respectfully submits this general petition (this Petition) in accordance with 810-RICR-00-00-1.11(A). The Company requests that the Public Utilities Commission (PUC) authorize the creation of regulatory assets for specific incremental expenses incurred as a result of the COVID-19 pandemic<sup>1</sup> from March 9, 2020, when Executive Order 20-02 was issued, through such date as the PUC determines that the conditions of the COVID-19 pandemic have dissipated such that the Company can resume normal collection activities for arrearages. The Company also asks that the PUC defer consideration of cost recovery for the COVID-19 Costs to a future date to be determined by the PUC and proposes a framework for calculating the costs to be deferred for future recovery.

Specifically, the Company defines the COVID-19 Costs for which it seeks creation of regulatory assets and consideration of future cost recovery as: (1) the increased cost of customer accounts receivable that it will be unable to collect as a result of the COVID-19 pandemic and

---

<sup>1</sup> As more particularly defined herein, the costs for which the Company seeks the creation of a regulatory asset are referred to as the “COVID-19 Costs.”

the executive orders and PUC orders restricting the Company's collection activities as a result of the pandemic, which will result in increased net charge-offs; (2) lost revenue from unassessed late payment charges; and (3) charges to the Company for other fees that the Company has waived pursuant to the PUC's orders in R.I.P.U.C. Docket No. 5022 (the late payment charges and other fees are collectively referred to herein as the Waived Fees).<sup>2</sup>

The COVID-19 Costs defined above are not the only costs that are impacted as a result of the COVID-19 pandemic. The Company has incurred incremental operation and maintenance (O&M) expenses to conduct operations consistent with the Centers for Disease Control and Prevention guidelines for safe operation, such as the purchase of personal protective equipment, enhanced facilities cleaning, and additional workforce expenses, such as the sequestering of control room personnel, and increases to the Company's working capital as a result of the pandemic. The Company, however, is not seeking to include these additional incremental costs within the requested regulatory assets in this Petition.

The Company has provided the following schedules to support its request for creation of regulatory assets for the COVID-19 Costs:

Schedule A – A copy of the most recent weekly arrearage report filed in R.I.P.U.C. Docket No. 5022 showing the balances of customer arrears for electric and gas services.

---

<sup>2</sup>The PUC directed all regulated utilities to “temporarily suspend late fees, interest charges, credit card fees, debit card fees, and ACH fees.” Order No. 23836, R.I.P.U.C. Docket No. 5022 at 5 (June 2, 2020); *See also* Order No. 23866, R.I.P.U.C. Docket No. 5022 at 7-8 (July 13, 2020) (extending the requirement to continue to suspend late fees, interest charges, credit card fees, debit card fees, and ACH fees). The Company does not charge ACH fees, does not have specifically defined late fees, and assesses late payment charges based on a stated interest rate applied to outstanding customer balances on nonresidential accounts only.

Schedule B – The amount of Waived Fees through March 31, 2021 as a result of the COVID-19 related orders, which include, specifically, late payment charges as reflected in the electric and gas revenue requirements in the Company’s most recent general rate case in R.I.P.U.C. Docket No. 4770 and fees billed to the Company by its third-party credit/debit card processing vendor.

Schedule C – An illustrative initial calculation of the incremental bad debt expense to establish the initial balance in the bad debt regulatory asset, as described in Section IV of this Petition.

In support of this Petition, National Grid states the following:

**I. COVID-19 EMERGENCY ORDERS**

1. Former Rhode Island Governor Gina Raimondo declared a state of emergency for the State of Rhode Island “due to the dangers to health and life posed by COVID-19” on March 9, 2020.<sup>3</sup> Over the subsequent months, the former Governor issued further Executive Orders restricting economic activity and gathering size throughout the State. These Executive Orders remain in effect today. Most recently, on April 26, 2021, Governor Daniel McKee issued Executive Order 21-39, which is the One Hundred-and-Forty-Second Supplemental Emergency Declaration extending the declaration of a state of emergency.
2. In response to the former Governor’s Executive Orders, the PUC issued its own order declaring that “all electric, natural gas, water, and sewer utilities shall immediately cease certain collections activities” as of March 16, 2020.<sup>4</sup>

---

<sup>3</sup> See Executive Order 20-02.

<sup>4</sup> See Order on Commission’s Own Motion, Order No. 23786, Docket. No. 5022 (Mar. 17, 2020), 1-2.

Suspended collections activities included “termination of service, sending past due accounts to collections agencies, and sending termination notices with disconnection dates prior to” expiration of the Order.<sup>5</sup>

3. The emergency order initially remained in effect through April 14, 2020 for residential customer accounts and March 31, 2020 for nonresidential customer accounts.

Subsequent orders extended the suspension of such activities for all customers through May 31, 2020 and then through July 17, 2020,<sup>6</sup> and subsequently through November 1, 2020 for customers eligible for the Company’s low-income rates and through September 30, 2020 for all other residential customers.<sup>7</sup>

4. Also, as part of its May 28, 2020 decision, the PUC required the regulated utilities to suspend late payment charges and other fees.<sup>8</sup> That order remains in effect.

5. At the March 19, 2021 Open Meeting, the PUC extended the winter moratorium from April 15, 2021 to June 25, 2021, finding that an emergency still existed and the circumstances necessitated the need to extend the utility termination moratorium through June 25, 2021, which is the last day of school on the Statewide school calendar.

---

<sup>5</sup> *Id.* at 2.

<sup>6</sup> Order No. 23826, Dkt. No. 5022 at 3-4 (May 8, 2020); *see also* Order No. 23836 (June 2, 2020).

<sup>7</sup> Order No. 23866 (July 15, 2020).

<sup>8</sup> Order No. 23836.

## II. LEGAL STANDARD

6. Rhode Island and other jurisdictions have recognized the creation of a regulatory asset as an appropriate mechanism to defer the recovery of unexpected incremental expenses. The PUC has acknowledged the usefulness of regulatory assets in the context of certain incremental expenses.<sup>9</sup>
7. The PUC previously has stated that, “[t]he term regulatory asset refers to expenditures that are deemed reasonable and allowable for current and future recovery in rates.”<sup>10</sup> In *In re Island Hi-Speed Ferry*, the PUC approved the creation of a regulatory asset for costs incurred prior to the utility’s commencement of business operations.<sup>11</sup> When approving the regulatory asset, the PUC considered both the allowable amount for the regulatory asset and the amortization period.<sup>12</sup>
8. Historically, other states also have approved the creation of regulatory assets for utilities.
9. For example, the Nevada Public Utilities Commission allowed the Sierra Pacific Power Company to create regulatory assets for certain “significant and non-recurring

---

<sup>9</sup> See Order No. 14088, *In re Financial Accounting Standards Board Statement No. 106*, Docket. No. 2045 (R.I.P.U.C. Dec. 11, 1992) (recognizing that a regulatory asset could bridge the gap to account for an increase in on-the-books liabilities resulting from a change by the Financial Accounting Standards Boards for the practice of accounting for post-retirement benefits other than pensions) (“We see no reason why a regulatory asset could not be recorded in light of our clear historic practice of providing reasonable funding for such expenses.”).

<sup>10</sup> Order No. 15816, *In re Island Hi-Speed Ferry, LLC, Proposed Passenger & Ferry Schedule*, Dkt. No. 2802, 1999 WL 35645630 (R.I.P.U.C. Mar. 31, 1999).

<sup>11</sup> Order No. 15816, *In re Island Hi-Speed Ferry*, 1999 WL 35645630.

<sup>12</sup> *Id.*

event[s].”<sup>13</sup> In reaching its decision, the Nevada Commission stated that “[r]egulatory asset treatment should be limited to significant unusual costs not considered in setting rates upon normal operations.”<sup>14</sup>

10. In addition, the Massachusetts Department of Public Utilities (Department) has authorized the creation of a regulatory asset for utilities where there would have been “an adverse financial effect.”<sup>15</sup> In that case, the Department concluded that “the \$27,123,048 writeoff” of certain pension and post-retirement benefit costs following a merger “would have an adverse financial effect on NEGC” and, therefore, allowed New England Gas Company to establish the regulatory asset and amortize the expenses for recovery through the preexisting pension adjustment mechanism.<sup>16</sup>
11. Many states have adopted this approach for incremental expenses arising from the COVID-19 pandemic. According to the State Response Tracker maintained by the National Association of Regulatory Utility Commissioners,<sup>17</sup> twenty-two states (as well as the District of Columbia) currently have authorized the tracking of COVID-19-related

---

<sup>13</sup> See Modified Final Order, *Application of Sierra Pacific Power Co. d/b/a NV Energy for Auth. To Adjust its Annual Revenue Requirement for Gen. Rates*, Docket. No. 13-06002, 2014 WL 576310 (Nev. P.U.C. Feb. 3, 2014).

<sup>14</sup> *Id.* (approving regulatory asset “for the purpose of deferring future costs resulting from the decommissioning” of certain facilities, which in the Nevada Commission’s opinion constituted “a significant and non-recurring event”).

<sup>15</sup> *Pet. of New Eng. Gas Co. for Auth. to Create A Regulatory Asset Related to Pension & Post-Ret. Benefits Other Than Pensions.*, No. 12-68, 2013 WL 866201 (Mar. 1, 2013) (allowing New England Gas Company (NEGC) to establish a regulatory asset in connection with certain pension and post-retirement benefit costs following a merger).

<sup>16</sup> *Id.*

<sup>17</sup> The State Response Tracker was last updated on March 23, 2021.

costs through the creation of a regulatory asset,<sup>18</sup> and several additional states are deferring recovery of these costs through other mechanisms.<sup>19</sup>

12. Recently, in Massachusetts, the Department issued an interim order allowing utilities to “record, defer, and track the incremental cost[s]” related to the exigent circumstances created by the pandemic “subject to the Department’s final determination of ratemaking treatment[.]”<sup>20</sup> In reaching this conclusion, the Department recognized that “[t]he COVID-19 pandemic . . . has affected the financial position of jurisdictional electric, gas, and water distribution companies, and utilities throughout the country” and that “the financial positions of the utilities would not be representative of a normal test year[.]”<sup>21</sup> The Department further recognized the need “to address both the fact that the crisis has challenged many customers to sustain the means to pay recurring bills and the Distribution Companies’ need to maintain critical cash flow to provide necessary utility service.”<sup>22</sup> The Department authorized the utilities’ cost recovery proposals related to COVID-19-created bad debt expense and waived fees expense.<sup>23</sup>

13. The Department’s reasoning is consistent with the reasoning of other utility regulators

---

<sup>18</sup> These states are Alaska, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Indiana, Iowa, Kansas, Louisiana, Maryland, Mississippi, Nevada, New Jersey, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, and Virginia. Additionally, New Hampshire’s consideration of the creation of a regulatory asset is pending, but approval is anticipated.

<sup>19</sup> These states include California (memorandum accounts), Kentucky (deferral of arrearages carrying charges), West Virginia (reserve fund), and Wisconsin (offset of qualifying bad debt).

<sup>20</sup> Interim Order on Ratemaking Proposal and Vote and Order on Opening Investigation at 3, D.P.U. 20-58-D, D.P.U. 20-91 (Dec. 31, 2020).

<sup>21</sup> *See id.* at 5

<sup>22</sup> *Id.* at 5-6.

<sup>23</sup> *Id.* at 21.

who have authorized the creation of regulatory assets for deferral and tracking of incremental COVID-19-related costs.<sup>24</sup>

14. Applying the precedent for the creation of regulatory assets in Rhode Island and the reasoning of other public utility regulators around the country regarding the consideration of treatment of COVID-19-related expenses, the Company's proposal for the creation of a regulatory asset to track its incremental COVID-19 Costs for later consideration of cost recovery is appropriate. These expenses represent "significant unusual costs," most of which the Company has incurred as a direct result of State and PUC orders.<sup>25</sup>
15. The COVID-19 Costs have grown and are anticipated to continue to grow as a result of the COVID-19 pandemic. Accordingly, these incremental costs are appropriate for future consideration of recovery in rates through the creation of a regulatory asset.

---

<sup>24</sup> See, e.g., *In re: Petition for approval of regulatory assets to record costs incurred due to COVID-19, by Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division, Florida Public Utilities Company – Fort Meade, Florida Division of Chesapeake Utilities Corporation*, 2020 WL 6292843, \*2 (Fla. P.S.C. Oct. 26, 2020) ("The concept of deferral accounting allows companies to defer costs due to events beyond their control and seek recovery through rates at a later time. If the subject costs are significant, the alternative would be for a company to seek a rate proceeding each time it experiences an exogenous event. The costs in the instant docket are attributed to the COVID-19 pandemic. Due to the uncertainty of this situation, it is not possible to fully anticipate the scope or timeframe of the financial impact on FPUC and CFG and their customers related to COVID-19. Because of the unique circumstances resulting from the global pandemic, we approve the Companies' request to establish regulatory assets for each entity included in the joint petition for recording costs incurred due to COVID-19 and defer consideration of the potential recovery of the amounts recorded in the regulatory assets to a future proceeding."); *State of Emergency & Pub. Health Emergency in the State of Maryland Due to Covid-19*, No. 89542, 2020 WL 2100879, at \*1 (Apr. 9, 2020) ("The Commission finds that the creation of the regulatory asset for COVID-19-related expenses will facilitate the recovery of those costs prudently incurred by the Utilities in their efforts to serve customers during this period, and the Commission finds that deferral of such costs is appropriate because the current catastrophic health emergency is outside the control of the Utility and a non-recurring event.").

<sup>25</sup> See *Pet. of New Eng. Gas Co.*, 2013 WL 866201.

### **III. COVID-19 RELATED IMPACTS**

16. The Company has been and continues to be wholly committed to its customers and to providing them with assistance through this challenging period. In late April 2020, the Company launched its COVID-19 Emergency Bill Payment & Customer Assistance Program Plan, which consists of a four-phased approach to assist all customer segments in finding the resources they need to pay their bills, whether in full or through any number of payment assistance programs.
17. In addition, the Company began waiving late payment charges even before the PUC ordered utilities to do so in recognition of the economic hardships on customers as a result of the COVID-19 pandemic.
18. Further, the Company is working with the Rhode Island Department of Human Services (DHS) to auto-enroll eligible customers onto the Company's low-income rate classes,<sup>26</sup> which will provide more eligible customers with reduced bills and help the Company identify additional households that could benefit from other services.
19. Safe and reliable utility service is a critical public necessity, and it is, therefore, important for the Company to have the tools and resources necessary to assist customers with paying their bills while maintaining this critical service.
20. As the Company previewed in its comments dated April 9, 2020 and April 30, 2020 in R.I.P.U.C. Docket No. 5022, the Company continues to be concerned about the increase

---

<sup>26</sup> Rate A-60 for electric service and Rates 11 and 13 for gas service.

in bad debt expense and, ultimately, net charge-offs as a result of the COVID-19 pandemic. The cash resources available to the Company are limited and continued access to capital markets at affordable rates is predicated on the regulatory climate and the certainty that debt holders and equity investors have for recovery of utility costs.

21. The Company has seen an increase in bad debt expense as reported in its financial statements, which represents significant and unusual costs. The Company expects that it will eventually experience a significant increase in net charge-offs, the ratemaking equivalent of the financial bad debt expense, as net charge-offs lag the accrual of uncollectible accounts that have resulted from the extension of the moratorium on service terminations and the ability of customers to take advantage of payment plans to address any arrears that have accumulated during the period in which service terminations and collection activities did not take place. This expected increase in net charge-offs could not have been anticipated or considered at the time base distribution rates were set. The increase in bad debt expense is the result of the significant increase in customer arrears during the pandemic, which is shown in Schedule A to this Petition.
22. Overall consideration of the impacts of COVID-19 presents a balancing exercise whereby the PUC must assure that customer aid is balanced by thoughtful consideration of the financial integrity of the Company.
23. Recording the incremental COVID-19 Costs to a regulatory asset will enable the PUC to defer consideration of the details of cost recovery and to continue to focus on the development of needed customer assistance programs. Furthermore, establishing a

regulatory asset for the COVID-19 Costs will send a critical signal to the marketplace that the financial integrity of the Company will not be jeopardized as it continues to extend significant and sustained assistance to its customers.

24. Other than establishing the initial balance of the bad debt regulatory asset as described in Section IV below, the Company will evaluate whether it will defer incremental costs associated with the COVID-19 Costs into the requested regulatory assets annually for calendar years 2021, 2022, and 2023 (Measurement Years).<sup>27</sup> In order to be eligible to defer incremental costs associated with the COVID-19 Costs, the Company proposes that it must demonstrate through the filing of its annual electric and gas earnings reports that it is not in an earnings-sharing position in which it would be subject to sharing excess earnings with customers (i.e., it has not earned in excess of its allowed return on equity). To the extent the Company reports excess earnings in its earnings reports for any of the respective Measurement Years, the Company would not record amounts related to actual net charge-offs or Waived Fees, as applicable, in the regulatory assets for that Measurement Year.
25. Because the COVID-19 Costs are outside the normal course of business and may continue for a significant time period, creation of the regulatory assets is appropriate for the future recovery of the COVID-19 Costs. Accordingly, the Company requests

---

<sup>27</sup> The Measurement Years reflect the fact that it may take until late 2021 or even later for the Company to experience an increased spike in charge-offs depending on the future economic impacts of the COVID-19 pandemic and the implications on customers' ability to pay their electric and gas bills.

authorization from the PUC to create regulatory assets for the COVID-19 Costs for future recovery consideration. The proposed framework for establishing each regulatory asset is discussed below.

#### **IV. BAD DEBT**

26. The Company recovers allowances for uncollectible accounts both in base distribution rates and outside base distribution rates in several of its delivery and commodity rates and factors. For base distribution rates, which are established in a general rate case, recovery of uncollectible accounts is generally based on a multi-year historical average of net charge-offs which results in an uncollectible percentage that is then applied to the comparable rate year revenue in deriving the rate year allowance.
27. The approved uncollectible percentage is applied to several delivery and commodity reconciling factors. These include the Energy Efficiency Program Charges, the majority of the components of the Distribution Adjustment Charge, Transmission Service Charges, Long Term Contracting for Renewable Energy Recovery Factors, Gas Infrastructure, Safety, and Reliability Plan Factors, Renewable Energy Growth Factors, Gas Cost Recovery Factors, and Last Resort Service Administrative Cost Factors. The uncollectible percentage calculated in the general rate case is applied to both delivery and commodity rates between rate cases, where those delivery and commodity rates are “grossed up” to recover revenue in support of uncollectible accounts cost associated with those specific components of an electric and gas bill.

28. For each Measurement Year, and subject to the earnings reports results described in Paragraph 24, above, the Company proposes to compare each Measurement Year's actual net charge-offs to each Measurement Year's baseline uncollectible revenue. The baseline uncollectible revenue shall represent a reasonably normal level of uncollectible recovery for the Measurement Year. Each Measurement Year's baseline uncollectible revenue shall be the same baseline the Company uses as a threshold in its annual Arrearage Management Plan (AMP) filings<sup>28</sup> to determine recoverability of arrears forgiven under the AMPs for electric and gas. Specifically, the baseline shall consist of the uncollectible allowance recovered through base distribution rates, plus the amounts recovered through the aforementioned reconciling mechanisms at the uncollectible percentage approved in the Company's most recent general rate case in R.I.P.U.C. Docket No. 4770 (i.e., 1.30% for electric and 1.91% for gas). The Company shall record the net charge-offs above each Measurement Year's baseline to the bad debt regulatory asset.
29. The Company proposes to establish the bad debt regulatory asset initially based on its accounting for bad debt expense that its accountants determine according to General Accepted Accounting Principles (GAAP). This amount is presented in Schedule C to this Petition. At regular intervals, the Company will compare its actual level of bad debt expense recorded in accordance with GAAP to the baseline amount for the respective

---

<sup>28</sup> The gas AMP recovery is included in the Company's annual Distribution Adjustment Clause filing.

period. Amounts recorded for expense in excess of the baseline amount will be deferred as the proxy for future recovery. This represents the Company's best estimate of the level of future charge-off activity. However, at the time that the Company makes a request from the PUC to authorize recovery of the deferred incremental cost of uncollectible accounts, the amount used to determine the incremental cost eligible for recovery will be the actual net charge-off amounts in excess of baseline uncollectible revenue, subject to the earnings test, as determined annually, rather than the bad debt expense determined by the Company's accountants according to GAAP.

30. The initial deferral to the bad debt regulatory asset will be based on calendar year 2020 and a baseline uncollectible revenue for 2020 as described above in Paragraph 28.
31. The Company proposes the bad debt regulatory asset to accrue a carrying charge at a short-term interest rate.
32. The Company requests that the PUC authorize the Company to establish a regulatory asset for bad debt and to record the amount of actual net charge-offs above the baseline amount, as described above.

#### **V. WAIVED FEES**

33. Pursuant to the PUC's Order No. 23866, dated July 13, 2020, the Company is waiving certain fees in light of exigent circumstances, including late payment charges and credit/debit card fees. The Company began waiving the late payment charges on March 31, 2020 and the credit/debit card fees on July 1, 2020.

34. The PUC further directed the Company to track the Waived Fees for later review by the PUC and noted that utilities' revenue requirements either assume a certain level of revenue from late fees or exclude the cost of credit card (including debit card) fees, and that it would be unfair to simply disallow recovery of these costs (i.e., lost revenues and assessed credit/debit card charges).<sup>29</sup>
35. The Company has been tracking the actual credit card and debit card fees billed to the Company in lieu of customers by its third-party credit/debit card processing vendor since July 2020, as shown in Schedule B. The Company will continue tracking these fees.
36. The Company is not currently billing customers for late payment charges. The amount of the unbilled late payment charges is based on the Company's electric and gas revenue requirements from R.I.P.U.C. Docket No. 4770, as shown in Schedule B.
37. Revenues for the Waived Fees are not included in the Revenue Decoupling Mechanisms; therefore, the Company does not have a means by which to recover the Waived Fees. Accordingly, creation of a regulatory asset is appropriate for the future recovery of the lost fee revenue and assessed credit/debit card charges associated with the Waived Fees.
38. The Company requests authorization from the PUC to create a regulatory asset for the Waived Fees and to record the amount of the lost fee revenue and assessed credit/debit

---

<sup>29</sup> See Order No. 23836 at 5.

card charges associated with the Waived Fees to be deferred for future recovery as determined by the PUC, subject to the earnings reports results described in Paragraph 24.

## **VI. FUTURE RECOVERY**

39. The Company is proposing to defer the incremental COVID-19 Costs for future recovery through creation of separate regulatory assets for bad debt and the Waived Fees, as described in Sections IV and V, respectively.
40. To the extent the amount in the Waived Fees regulatory asset is known prior to the amount in the bad debt regulatory asset, the Company may submit a proposal with the PUC for recovery of the balance of the Waived Fees regulatory asset from its electric and gas customers.
41. The Company proposes that once the balance of the bad debt regulatory asset is known, it can be combined with the Waived Fees regulatory asset, if authorized by the PUC, and if the Company has previously requested and the PUC has approved recovery of the Waived Fees, the PUC can adjust the amount being recovered to reflect an appropriate level of recovery for both regulatory assets.
42. Although the Company is proposing to measure the COVID-19 Costs over three Measurement Years, the actual recovery period of all COVID-19 Cost regulatory assets would depend on the magnitude of costs to be recovered and the associated bill impacts

of recovering the costs. The Company will propose a means to address any balance remaining after the end of the recovery period in a future filing with the PUC.

## **VII. CONCLUSION**

The Company respectfully requests that the PUC grant the relief requested below pursuant to its authority under Rhode Island General Laws Chapter 39-1 because it serves the best interests of customers:

- a. Authorize the Company to create regulatory assets for the future consideration and recovery of the COVID-19 Costs discussed herein.
- b. Authorize the Company to record the amount of (1) the actual net charge-offs above the baseline amount, (2) unbilled late payment charge revenue, and (3) assessed credit/debit card charges as regulatory assets, subject to the results of the Company's annual electric and gas earnings reports.
- c. Grant such other and further relief as may be just and proper under the circumstances.

[Signature page following]

Respectfully submitted by,

**THE NARRAGANSETT ELECTRIC  
COMPANY d/b/a NATIONAL GRID**

By its attorney,



---

Jennifer Brooks Hutchinson (RI #6176)  
280 Melrose Street  
Providence, RI 02907  
Telephone: (401) 480-1425  
[jennifer.hutchinson@nationalgrid.com](mailto:jennifer.hutchinson@nationalgrid.com);

Dated: April 30, 2021



**Raquel J. Webster**  
Senior Counsel

April 27, 2021

**BY ELECTRONIC MAIL**

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

**RE: Docket 5022 - Suspension of Service Terminations and Certain Collections Activities  
During the COVID-19 Emergency  
Response to PUC's Weekly Data Request**

Dear Ms. Massaro:

On behalf of National Grid,<sup>1</sup> I have enclosed the Company's response to the PUC's Weekly Data Request in the above-referenced matter.

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

Sincerely,

A handwritten signature in blue ink that reads "Raquel Webster".

Raquel J. Webster

Enclosure

cc: Docket 5022 Service List  
Jon Hagopian, Esq.  
John Bell, Division  
Linda George, Division

---

<sup>1</sup> The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 5022  
COVID -19 Emergency  
Responses to Commission's Recurring Weekly Data Requests  
Issued June 4, 2020

---

PUC 1-1

Request:

Please provide the following information on a weekly basis for the period commencing March 2020 (Please provide in the format provided to the Massachusetts Department of Public Utilities – referenced in Cargill Hearing Officer Memorandum dated April 9, 2020).

- Total Number of Customers
- Revenues (\$)
- Sales (kWh Electric/Therms Gas)
- Age Arrearages/Unpaid Bills
  - Arrears 30 Days - 60 Days
  - Arrears 60 Days – 90 Days
  - Arrears 90 Days >
  
- Number of Customers Eligible for Termination of Service (Shut-Off) Unpaid Bill
- Number of Customers on Arrearage Management Plan
- Number of Customers on Payment Plan
- Uncollected Accounts/Arrearages
- Sort by Rate Class:
  - Residential
  - Residential Low-Income
  - Small Commercial and Industrial (“C&I”)
  - Medium C&I
  - Large C&I
  
- Historic Comparisons -12 Months’ Historic Data
  - Variance in dollars
  - Variance percentage

Response:

Per the PUC’s request, the Company is providing a PDF version of Attachment PUC 1-1. The Company has also provided the Excel document attached as Attachment PUC 1-1.

Company: Narragansett Electric Company (Electric Business)  
Tab: ELECTRIC  
Date: 4/24/2021

**ELECTRIC**

Account	2019												2020												Year Over Year Variance (Percent Change)												Year Over Year Variance (Amount Change)											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019												
Electricity	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00												

Footnotes (if necessary):  
(1) Summed on billing month rather than calendar month.  
(2) Dollars allocated to restate and pay bad debt have been excluded from these amounts.

Company: Narragansett Electric Company (Electric Business)  
Tab: GAS  
Date: 4/24/2021

**GAS**

Account	2019												2020												Year Over Year Variance (Percent Change)												Year Over Year Variance (Amount Change)											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019												
Gas	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	0.00%	0.00%	0.00%	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00												

Footnotes (if necessary):  
(1) Summed on billing month rather than calendar month.  
(2) Dollars allocated to restate and pay bad debt have been excluded from these amounts.

Company: Narragansett Electric Company (Electric Business)  
Tab: COMBINED  
Date: 4/24/2021

COMBINED

Account	2019												2020												Year Over Year Variance (Percent Change)												Year Over Year Variance (Amount Change)											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2020	2019	%	2020	2019	%	2020	2019	%	2020	2019	%	2020	2019	%									
Operating Expenses	13,881	13,996	14,053	14,142	14,215	14,288	14,351	14,414	14,477	14,540	14,603	14,666	14,729	14,792	14,855	14,918	14,981	15,044	15,107	15,170	15,233	15,296	15,359	15,422	14,729	14,729	0%	14,729	14,729	0%	14,729	14,729	0%	14,729	14,729	0%	14,729	14,729	0%									
Operating Income	47,001	47,042	47,083	47,124	47,165	47,206	47,247	47,288	47,329	47,370	47,411	47,452	47,493	47,534	47,575	47,616	47,657	47,698	47,739	47,780	47,821	47,862	47,903	47,944	47,493	47,493	0%	47,493	47,493	0%	47,493	47,493	0%	47,493	47,493	0%	47,493	47,493	0%									
Income Tax Expense	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	0%	1,234	1,234	0%	1,234	1,234	0%	1,234	1,234	0%	1,234	1,234	0%									
Net Income	45,767	45,808	45,849	45,890	45,931	45,972	46,013	46,054	46,095	46,136	46,177	46,218	46,259	46,300	46,341	46,382	46,423	46,464	46,505	46,546	46,587	46,628	46,669	46,710	46,259	46,259	0%	46,259	46,259	0%	46,259	46,259	0%	46,259	46,259	0%	46,259	46,259	0%									

Footnote (if necessary):  
(1) Summed on billing month rather than calendar month.  
(2) Dollars allocated to restate and pay bad debt have been excluded from these amounts.

Certificate of Service

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

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

April 27, 2021

\_\_\_\_\_  
Joanne M. Scanlon

Date

**Docket No. 5022 – COVID-19 Emergency Order  
Service List as of 4/1/2021**

<b>Name/Address</b>	<b>E-mail Distribution</b>	<b>Phone</b>
Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ;	401-780-2107
	<a href="mailto:Cynthia.WilsonFrias@puc.ri.gov">Cynthia.WilsonFrias@puc.ri.gov</a> ;	
	<a href="mailto:Alan.nault@puc.ri.gov">Alan.nault@puc.ri.gov</a> ;	
	<a href="mailto:Todd.bianco@puc.ri.gov">Todd.bianco@puc.ri.gov</a> ;	
Nicholas Ucci, Administrator RI Office of Energy Resources	<a href="mailto:Nicholas.Ucci@energy.ri.gov">Nicholas.Ucci@energy.ri.gov</a> ;	401-574-9119
	<a href="mailto:Christopher.Kearns@energy.ri.gov">Christopher.Kearns@energy.ri.gov</a> ;	
Frederick Sneesby, Dept. of Human Services	<a href="mailto:Frederick.sneesby@dhs.ri.gov">Frederick.sneesby@dhs.ri.gov</a> ;	
	<a href="mailto:deirdre.weedon@dhs.ri.gov">deirdre.weedon@dhs.ri.gov</a> ;	
Yasmin Yacoby, OER	<a href="mailto:Yasmin.Yacoby.CTR@energy.ri.gov">Yasmin.Yacoby.CTR@energy.ri.gov</a> ;	
Raquel Webster, Esq. National Grid	<a href="mailto:raquel.webster@nationalgrid.com">raquel.webster@nationalgrid.com</a> ;	781-907-2121
	<a href="mailto:celia.obrien@nationalgrid.com">celia.obrien@nationalgrid.com</a> ;	
	<a href="mailto:Joanne.scanlon@nationalgrid.com">Joanne.scanlon@nationalgrid.com</a> ;	
Michael R. Kirkwood, General Mgr./CEO Pascoag Utility District	<a href="mailto:mkirkwood@pud-ri.org">mkirkwood@pud-ri.org</a> ;	401-568-6222
	<a href="mailto:hround@pud-ri.org">hround@pud-ri.org</a> ;	
	<a href="mailto:trivet@pud-ri.org">trivet@pud-ri.org</a> ;	
	<a href="mailto:llaporte@pud-ri.org">llaporte@pud-ri.org</a> ;	
Jeff Wright, President, Block Island Utility District	<a href="mailto:jwright@blockislandutilitydistrict.com">jwright@blockislandutilitydistrict.com</a> ;	
Michael McElroy, Esq. Leah Donaldson, Esq. (ProvWater & BIUD)	<a href="mailto:Michael@McElroyLawOffice.com">Michael@McElroyLawOffice.com</a> ;	401-351-4100
	<a href="mailto:Leah@McElroyLawOffice.com">Leah@McElroyLawOffice.com</a> ;	401-466-5851
Rick Caruolo, Acting General Mgr. Providence Water Supply Board	<a href="mailto:Rcaruolo@provwater.com">Rcaruolo@provwater.com</a> ;	401-521-6300
Marc Viggiani, Water Superintendent City of Woonsocket – Water Division	<a href="mailto:Mviggiani@woonsocketri.org">Mviggiani@woonsocketri.org</a> ;	401-767-2619
Alan M. Shoer, Esq. (Woonsocket Water) Adler Pollock & Sheehan	<a href="mailto:Ashoer@apslaw.com">Ashoer@apslaw.com</a> ;	401-274-7200

David L. Simmons, P.E., Chief Engineer Kent County Water Authority	<a href="mailto:dsimmons@kentcountywater.org">dsimmons@kentcountywater.org</a> ;	401-821-9300
Mary B. Shekarchi, Esq. (KCWA)	<a href="mailto:marybali@aol.com">marybali@aol.com</a> ;	401-828-5030
James DeCelles, Chief Engineer/Mgr. Pawtucket Water Supply Board	<a href="mailto:decelles@pwsb.org">decelles@pwsb.org</a> ;	401-729-5001
Julia Forgue, Director of Public Works Newport Water Department	<a href="mailto:jforgue@cityofnewport.com">jforgue@cityofnewport.com</a> ;	
Gary Prettyman Suez Rhode Island	<a href="mailto:Gary.Prettyman@suez-na.com">Gary.Prettyman@suez-na.com</a> ; <a href="mailto:christopher.jacobs@suez.com">christopher.jacobs@suez.com</a> ;	201-784-7083
Brian T. FitzGerald, Esq. (Suez Water)	<a href="mailto:bfitzgerald@cullenanddykman.com">bfitzgerald@cullenanddykman.com</a> ;	518-788-9401
Karen Giebink, Director of A&F Narragansett Bay Commission (NBC)	<a href="mailto:kgiebink@narrabay.com">kgiebink@narrabay.com</a> ;	401-461-8848
Joseph A. Keough, Esq. (Pawtucket Water, Newport Water & NBC) Sweeney & Keough	<a href="mailto:jkeoughjr@keoughsweeney.com">jkeoughjr@keoughsweeney.com</a> ;	401-724-3600
Tiffany Parenteau, Esq. Dept. of Attorney General	<a href="mailto:TParenteau@riag.ri.gov">TParenteau@riag.ri.gov</a> ; <a href="mailto:dmacrae@riag.ri.gov">dmacrae@riag.ri.gov</a> ; <a href="mailto:MFolcarelli@riag.ri.gov">MFolcarelli@riag.ri.gov</a> ;	401-222-2424
Linda George, Acting Administrator Division of Public Utilities	<a href="mailto:Linda.george@dpuc.ri.gov">Linda.george@dpuc.ri.gov</a> ; <a href="mailto:Anthony.manni@dpuc.ri.gov">Anthony.manni@dpuc.ri.gov</a> ;	401-941-4500 401-491-1101
Christy Hetherington, Esq.	<a href="mailto:thomas.kogut@dpuc.ri.gov">thomas.kogut@dpuc.ri.gov</a> ; <a href="mailto:John.spirito@dpuc.ri.gov">John.spirito@dpuc.ri.gov</a> ; <a href="mailto:Bill.lueker@dpuc.ri.gov">Bill.lueker@dpuc.ri.gov</a> ; <a href="mailto:John.bell@dpuc.ri.gov">John.bell@dpuc.ri.gov</a> ; <a href="mailto:Diana.moniz@dpuc.ri.gov">Diana.moniz@dpuc.ri.gov</a> ; <a href="mailto:Christy.hetherington@dpuc.ri.gov">Christy.hetherington@dpuc.ri.gov</a> ; <a href="mailto:Margaret.L.hogan@dpuc.ri.gov">Margaret.L.hogan@dpuc.ri.gov</a> ;	
Camilo Viveiros The George Wiley Center	<a href="mailto:georgewileycenterri@gmail.com">georgewileycenterri@gmail.com</a> ; <a href="mailto:camiloviveiros@gmail.com">camiloviveiros@gmail.com</a> ;	401-728-5555
Jennifer Wood, RI Center for Justice Jordan Mickman	<a href="mailto:jwood@centerforjustice.org">jwood@centerforjustice.org</a> ; <a href="mailto:jmickman@centerforjustice.org">jmickman@centerforjustice.org</a> ;	401-491-1101
Yasmin Yacoby, OER	<a href="mailto:Yasmin.Yacoby.CTR@energy.ri.gov">Yasmin.Yacoby.CTR@energy.ri.gov</a> ;	
Kathy Crawley, Water Resource Board	<a href="mailto:Kathleen.crawley@doa.ri.gov">Kathleen.crawley@doa.ri.gov</a> ;	
Victoria Scott	<a href="mailto:victoria.scott@governor.ri.gov">victoria.scott@governor.ri.gov</a> ;	
Claire Richards, DOA	<a href="mailto:Claire.Richards@governor.ri.gov">Claire.Richards@governor.ri.gov</a> ;	
J Gerhard	<a href="mailto:jgerhard@narragansettri.gov">jgerhard@narragansettri.gov</a> ;	
Brett Jacob	<a href="mailto:Bjacob@providenceri.gov">Bjacob@providenceri.gov</a> ;	
Dayanarah Baez	<a href="mailto:dbaez@cappri.org">dbaez@cappri.org</a> ;	
PPL Electric Utilities Ronald Reybitz, Stephen Breininger	<a href="mailto:rjreybitz@pplweb.com">rjreybitz@pplweb.com</a> ; <a href="mailto:skbreininger@pplweb.com">skbreininger@pplweb.com</a> ;	

National Grid  
Late Payment Interest Charges  
Electric and Gas  
Included in R.I.P.U.C. Docket No. 4770

		<u>Electric</u> (a)	<u>Gas</u> (b)	<u>Total</u> (c)
(1)	Jul-16	\$134,101	\$27,624	\$161,725
(2)	Aug-16	\$160,042	\$38,201	\$198,243
(3)	Sep-16	\$153,229	\$62,920	\$216,149
(4)	Oct-16	\$152,436	\$45,162	\$197,597
(5)	Nov-16	\$128,153	\$34,217	\$162,370
(6)	Dec-16	\$131,060	\$62,258	\$193,318
(7)	Jan-17	\$139,325	\$31,517	\$170,842
(8)	Feb-17	\$160,010	\$18,408	\$178,418
(9)	Mar-17	\$146,522	\$22,621	\$169,143
(10)	Apr-17	\$125,759	\$18,765	\$144,524
(11)	May-17	\$104,982	\$16,106	\$121,089
(12)	Jun-17	<u>\$121,675</u>	<u>\$31,852</u>	<u>\$153,527</u>
(13)	Total	\$1,657,293	\$409,652	\$2,066,945

(13)(a) R.I.P.U.C. Docket No. 4770, Second Amended Compliance Filing, Compliance Attachment 2, Schedule 2-ELEC, Page 1 of 1, Line 14

(13)(b) R.I.P.U.C. Docket No. 4770, Second Amended Compliance Filing, Compliance Attachment 2, Schedule 2-GAS, Page 1 of 1, Line 25

National Grid  
Credit and Debit Card Charges  
Electric and Gas  
Charged to National Grid in Lieu of Customers  
Using Credit and Debit Cards for One Time Payments

		<u>Electric</u>	<u>Gas</u>	<u>Total</u>
		(a)	(b)	(c)
(1)	Jul-20	\$54,180	\$25,497	\$79,677
(2)	Aug-20	\$56,590	\$26,630	\$83,220
(3)	Sep-20	\$59,976	\$28,224	\$88,200
(4)	Oct-20	\$62,941	\$29,619	\$92,561
(5)	Nov-20	\$58,415	\$27,489	\$85,904
(6)	Dec-20	\$61,824	\$29,094	\$90,918
(7)	Jan-21	\$67,787	\$31,900	\$99,686
(8)	Feb-21	\$65,790	\$30,960	\$96,750
(9)	Mar-21	\$80,731	\$38,623	\$119,354
(10)	Apr-21			\$0
(11)	May-21			\$0
(12)	Jun-21			<u>\$0</u>
(13)	Total	\$568,234	\$268,036	\$836,270

Source      Invoices from Third Party Credit/Debit Card Processing Service

National Grid  
Recovery of Uncollectible Accounts  
and Bad Debt Expense per Income Statement  
Electric and Gas  
Calendar Year 2020

		CY 2020 <u>Revenue</u> (a)	Current Uncollectibles <u>Rate</u> (b)	Uncollectibles <u>Recovery</u> (c)
<b><u>Electric</u></b>				
(1)	Distribution Rates	\$297,272,846		\$4,338,446
(2)	Last Resort Service	\$358,379,316	1.30%	\$4,658,931
(3)	Energy Efficiency	\$90,551,042	1.30%	\$1,177,164
(4)	Transmission	\$188,340,804	1.30%	\$2,448,431
(5)	Long Term Contracting	\$43,853,521	1.30%	\$570,096
(6)	RE Growth	<u>\$18,377,348</u>	1.30%	<u>\$238,907</u>
(7)	Baseline	\$996,774,877		\$13,431,975
(8)	Bad Debt Expense - GAAP			<u>\$37,243,405</u>
(9)	Initial Deferral			\$23,811,430
<b><u>Gas</u></b>				
(10)	Distribution Rates	\$224,961,553		\$3,532,693
(11)	Gas Cost Recovery	\$132,670,886	1.91%	\$2,534,013
(12)	Energy Efficiency	\$31,155,816	1.91%	\$595,078
(13)	DAC Factors	<u>\$16,982,215</u>	1.91%	<u>\$324,360</u>
(14)	Baseline	\$405,770,470		\$6,986,144
(15)	Bad Debt Expense - GAAP			<u>\$18,537,657</u>
(16)	Initial Deferral			\$11,551,513
(1) - (7)	Various filings and Company records			
(8)	The Narragansett Electric Company Annual Report (Electric) - Year Ended December 31, 2020			
(9)	Line (8) - Line (7)			
(10) - (13)	Various filings and Company records			
(15)	The Narragansett Electric Company Annual Report (Gas) - Year Ended December 31, 2020			
(16)	Line (15) - Line (14)			