

The Henry Shelton Act

(Arrearage Forgiveness Program)

The Henry Shelton Act was signed into law in July, 2011. Effective October 15, 2011, this new law establishes an arrearage forgiveness program for LIHEAP- eligible low-income residential households who have had their utility services shut off for non-payment or who have been scheduled for shut-off. The customer is responsible for obtaining certification from a local Community Action Program (“CAP”) that they are LIHEAP eligible. The CAP will then electronically notify the utility company of the customer’s eligibility for the forgiveness payment plan.

Customers enrolling in the payment plan are required to make an initial down payment of 10% of their unpaid balance in order to avoid utility service termination for nonpayment or have their service restored. The customer must then agree to pay 1/36 of 40% of the remaining balance over the next 36 months. The customer will be encouraged to enter into a monthly budget payment agreement that would include the arrearage payment and a fixed monthly charge for the customer’s estimated average usage (based on the last twelve-month average use determined by National Grid). If the customer successfully pays the scheduled monthly payments for the three-year period, then 60% of the unpaid remaining balance will be forgiven and credited from the customer’s utility account.

The program participant cannot miss more than two (2) monthly payments in one calendar year provided that the missed payments are not consecutive and that the payments for the year are up-to-date by October 31st of each year. Lastly, the participant cannot miss more than a maximum of three (3) payments in the 36-month period. Enrollment in the program is a one-time offer and a customer’s failure to pay the prescribed monthly payments will result in the household’s removal from the program. Once

removed from the program, the customer will be subject to collection activities and possible utility service termination.

If you have any questions regarding any of the provisions of the Henry Shelton Act or the arrearage forgiveness program, please contact National Grid at 1-800-322-3223.