

December 7, 2007

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 3881 – Submetering
Responses to Commission Data Requests – Set 1

Dear Ms. Massaro:

Enclosed please find ten (10) copies of National Grid's¹ responses to the first set of data requests issued by the Commission on October 31, 2007, in the above-captioned proceeding.

The Company appreciates the Commission's granting an extension of time in responding to these data requests.

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

Very truly yours,



Laura S. Olton

cc: Tom Ahern, Division
Steve Scialabba, Division
Paul Roberti, Esq.

¹ Submitted on behalf of Narragansett Electric, d/b/a National Grid ("Company").

Commission Data Request 1-1

Request:

Please describe submetering, how it works and the advantages or disadvantages of the same.

Response:

Submetering is when a customer installs a secondary meter downstream from the Company’s meter.

Installations of this secondary meter could be for measuring equipment usage and efficiency. An example of this would be a customer wanting to separately monitor the performance of a specific piece of equipment such as a gas chiller. With this application the information obtained from submetering is used internally and not for resale purposes.

Submetering could also be installed for allocating utility costs to individual tenants in multi-unit rental properties. Costs are distributed on the basis of actual usage as measured by a submeter that is installed for each rental unit. This use of submetering would allow National Grid’s customer, for example a landlord in the case of an apartment building, to determine how much gas each of the tenants is using.

Some advantages:

- better allocation of use compared to other allocation methods, such as square footage, number of occupants, etc.
- individually metered units more likely to conserve energy
- provides more control of utility costs to tenants
- reduces the landlord’s costs resulting in higher operating margins and property values
- reduced waste of energy results in greater benefit to society including energy conservation and environmental benefits

Some disadvantages:

- tenants are at the mercy of the landlord and the terms of their lease
- tenants lose the means of redress that exists with their own meter tied to the utility company
- lack of regulation with respect to installation, maintenance and testing of submeters and related equipment

Commission Data Request 1-2

Request:

Who is the customer for purposes of collections?

Response:

The party to whom National Grid sends the bill is the customer for purposes of collections. In the case of a landlord owner using submetering behind National Grid’s gas meter, the customer is the landlord.

Commission Data Request 1-3

Request:

Who pays for the cost of the meter, that cost to install the meter and the cost of maintenance of the meter?

Response:

All costs associated with submeters are the responsibility of the party arranging for the installation of the submetering. In the case of a landlord who installs submetering to allocate National Grid’s bill among the tenants, the submetering cost responsibility would lie with the landlord.

Commission Data Request 1-4

Request:

What costs other than the cost of gas consumed are tenants charged if there is submetering in their building? Do these costs include GCR, DAC and Gross Earning Tax costs? Is the individual whose gas is submetered either better or worse off than the individual who has a single meter?

Response:

The decision of what costs are charged to tenants when there is submetering in their building is up to the landlord. Under the terms of the Company’s proposed tariff, where the landlord is using submetering for allocating National Grid charges for service to tenants, the burden is on the landlord, when requested by the Company, to demonstrate that the allocated charges are no greater than the landlord’s bill from the Company. When allocating such charges, the landlord may separately include reasonable administrative fees.

Commission Data Request 1-5

Request:

How common is submetering in Rhode Island?

Response:

Following up on information provided by the Division, the Company is aware of six customers who are submetering in Rhode Island. Identifying customers who are submetering is difficult due to the fact these meters are normally installed after the initial installation of a meter by National Grid and they can be located anywhere in the customer’s piping system.

Commission Data Request 1-6

Request:

How many instances of submetering is NGRID aware of? Please identify.

Response:

National Grid is aware of six locations where submetering is occurring in our service territory. We have visited five of the six locations and gathered as much information as possible to understand the types of systems involved, how gas is being delivered and potentially submetered, and any safety or other customer concerns at these locations.

It is the Company’s understanding that four of the locations visited are using the same technology to measure gas consumption used by the individual units supplied by building piping, without using a traditional gas meter. It appears that when the gas appliance is actively consuming fuel, a pressure switch or thermocouple is activated and the cumulative time of actuation is transmitted to a collection point. The firing rate of the appliance coupled with time of activation yields volume, and in two of the four locations visited, a third party vendor uses this information to send a bill to the ultimate consumer – the individual apartment or condominium occupants of the complex. It is also our understanding that in the two other locations where the tenants are not billed directly for gas consumption, there is a flat-rate included for gas usage in their rent.

Locations identified:

- 903 Jefferson Place, Providence
- 500 Wood St., Bristol
- Royal Crest, Warwick
- 1005 Main St., Pawtucket
- Royal Mills, West Warwick
- The Plant 60 Valley St, Providence, RI

Commission Data Request 1-07

Request:

Is submetering optional or mandatory? If optional, at whose option.

Response:

In a landlord / tenant situation, the landlord has the option of whether to install submetering and how they will use the submetering for purposes of billing the tenants.

Commission Data Request 1-8

Request:

When did NGRID first become aware that submetering was occurring in violation of the existing tariff?

Response:

The Company first became aware of this on February 13, 2007 when we received a letter from the Division regarding remetering and submetering of gas services.

Commission Data Request 1-9

Request:

In the event that a landlord does not pay NGRID for gas consumed, irrespective of whether the individual tenants have paid the landlord, will service to the entire building be terminated?

Response:

Yes. In the event that a landlord does not pay National Grid for gas consumed, irrespective of whether the individual tenants have paid the landlord, service to the entire building would be terminated.

Commission Data Request 1-10

Request:

In the event that an individual tenant does not pay the landlord for gas consumed will service to the entire building be terminated?

Response:

So long as the landlord pays the bill rendered by National Grid, gas service to the entire building will not be terminated if an individual tenant does not pay the landlord for gas consumed.