

October 3, 2008

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Division Clerk
RI Division of Public Utilities & Carriers
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Billing and Termination
Docket No. 3975**

Dear Ms. Massaro:

I am filing this letter (along with ten enclosed copies) in order to express National Grid's recommendation relative to the Wiley Center's request in this docket for an emergency reduction of the payment plan down payment required of a customer in order to restore service after it has been terminated.

National Grid is concerned and committed to protecting and supporting our most vulnerable customers, and we realize that we must find a solution to address the immediate impacts that high energy costs have on our customers while developing a longer term strategy to handle the bad debt situation, recognizing that we must be accountable to all of our customers. Such strategies must be balanced, and we are confident that as the Commission continues its deliberative investigation and analysis in this docket that effective solutions will result.

With the winter months approaching, the Company recommends and is willing to implement amended practices effective through December 1, 2008 with respect to its current Protected Customer Payment Plans to restore service after termination. National Grid agrees to reduce the down payment required to restore service for Rhode Island residential Protected Status Customers who have been terminated for nonpayment in 2008 and who are still off. The current Billing and Termination Rules provide a tiered approach to required down payments for Protected Status Customers. A Step 1 or Step 3 customer is required to make a 25% down payment, a Step 4 customer is required to make a 35% down payment, and a Step 5 customer is required to make a 50% down payment. The Company would reduce the required down payment to restore service after termination under those plans by ten percent and allow eligible customers to pay a reduced down payment based on the customer's current "step."

Thus a required 50% down payment would be reduced to 40%, a 35% down payment would be reduced to 25%, and a 25% down payment would be reduced to 15%. This treatment would be available to a Protected Status Customer, as defined in the rules, up to and including December 1, 2008 and would apply to down payments made by those customers or pledged by an agency on or before December 1, 2008. National Grid is aware that these adjustments to the billing and collections rules will likely have an impact on bad debt expenses, and it will attempt to track those effects over the coming winter.

As always, our Customer Service representatives will work with individual customers to deal with particular customer circumstances, and the Company will work to ensure the safety of our customers this winter.

Thank you for your consideration in this matter. If you have any questions, please contact me at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Docket 3975 Service List