

February 18, 2009

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 4011 – Electric Retail Rates 2009
Responses to Wiley Center Post Hearing Data Requests

Dear Ms. Massaro:

Enclosed please find ten (10) copies of National Grid's¹ responses to the Wiley Center's post hearing data requests issued in the above-captioned proceeding.

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

Very truly yours,



Thomas R. Teehan

Enclosures

cc: Docket 4011 Service List
Paul Roberti, Esq.
Steve Scialabba, Division

¹ Submitted on behalf of The Narragansett Electric Company d/b/a National Grid.

Wiley Center
Post Hearing Data Request 1

Request:

According to the testimony of Jeanne Lloyd at the hearing on December 19, 2008, National Grid has expended less than the amount anticipated on low-income discounts in 2008 because the number of customers in the A-60 class has dropped from about 37,000 in 2007 to about 31,000 to 31,500 in 2008.

Please state to the best of National Grid's knowledge the reason why the number of customers in the A-60 class has dropped despite the state of the economy.

Response:

The Company is not in a position to definitively address the question of why the number of customers is significantly different between 2007 and 2008. However, the Company has been experiencing technical difficulties with one of the enrollment processes during 2008 and this may have affected the number of customers enrolled on the A-60 rate. This particular process is an electronic customer data base matching process that has been ongoing between the Office of Energy Resources ("OER") and the Company for several years.

This process was implemented in 2000 after the Commission approved the expansion of the low income rate to include LIHEAP eligible customers. In order to ensure that all eligible customers are placed on the low income rate, the Company and OER have implemented this electronic matching process to efficiently identify the eligible customers. Periodically, the OER sends a file to the Company containing a list of customers who are currently eligible to receive LIHEAP benefits. The Company compares that information to its customer data base to locate each customer's billing account, and, if that customer is not currently taking service on the low income rate, will transfer the customer to Rate A-60 at that time.

Since the beginning of 2008, the Company and OER have been experiencing technical difficulties with this process. The Company has been working diligently with the OER's software vendor in order to resolve these problems and has recently successfully processed the most recent LIHEAP file. .

Wiley Center
Post Hearing Data Request 2

Request:

Please describe how National Grid determines the number of customers in the A-60 class, including the procedures used, the documentation required of each customer, the participation, if any, of any other agency, and the timing and frequency of any required application, re-application or confirmation or re-confirmation of eligibility.

Response:

In addition to the process described in the response to Wiley Center Post Hearing Data Request 1, National Grid receives notification, or commitments, from various CAP agencies in the state that indicate if a customer is receiving assistance in one of the eligible low income programs. Once the Company receives notification, the customer is transferred to Rate A-60. Customers must re-apply annually through the CAP agencies. If a customer's eligibility certification is not received by the Company at the end of twelve months, the customer's account is coded with a "prior eligibility" code but allowed to remain on the rate for an additional year. At the end of the second year, if certification is still not received, the customer is removed from the low income rate.

Wiley Center
Post Hearing Data Request 3

Request:

Have the requirements for eligibility, or for re-application or re-confirmation of eligibility, changed between 2007 and 2008? Could any such change account for the drop in the number of customers in the A-60 class in 2008?

Response:

The eligibility requirements for Rate A-60 did not change between 2007 and 2008.

Wiley Center
Post Hearing Data Request 4

Request:

Have there been any other changes in procedure, or any changes of any kind, that might have affected the number of eligible A-60 customers in 2008?

Response:

Other than the possible explanation presented in the response to Wiley Center Post Hearing Data Request 1, there have been no other changes in the Company's procedure that would affect the number of A-60 customers during 2008.

Wiley Center
Post Hearing Data Request 5

Request:

How many customers does National Grid anticipate will be in the A-60 class in 2009?

Response:

Based upon the Company's most recent customer forecast, we expect approximately 32,000 customers to take service on Rate A-60 in 2009. However, although the Company develops a customer and load forecast every year for each of its rate classes, including the low income class, this forecast is based upon projected customers and load for the residential class in total and allocated to the individual rate classes based upon historical trends. This methodology may not accurately predict the projected number of customers for a class like the low income class whose numbers may be affected by circumstances, such as significant changes in the economy, that do not affect the rest of the residential customer base in the same way.

Wiley Center
Post Hearing Data Request 6

Request:

How did National Grid arrive at the number given in answer 5?

Response:

See the response to Wiley Center Post Hearing Data Request 5.

Wiley Center
Post Hearing Data Request 7

Request:

If the anticipated number of customers in the A-60 class in 2009 is not larger than the number in 2007 when the economy was healthier (about 37,000), please state why.

Response:

See the response to Wiley Center Post Hearing Data Request 5.

Wiley Center
Post Hearing Data Request 8

Request:

If the number of customers turns in the A-60 class turns out to be more than National Grid anticipated in 2009, and \$2 million proves to be insufficient to provide a discount of \$0.01306 per kWh for the entire year for the A-60 class as proposed, does National Grid plan to come back to the Commission to seek permission to use more of the settlement funds in order to continue to provide this discount for the remainder of the year?

Response:

The Company intends to implement the per kWh credit of 1.306¢ per kWh, applicable to the first 450 kWhs per month, as approved by the Commission at its Open Meeting held on December 23, 2008 for all customers taking service on Rate A-60 for the entire twelve month period ending December 31, 2009. In the event that the Company estimates at any time during the year that the amount remaining in the low income credit account (approximately \$3.1 million as of December 2008) will not be sufficient to provide the credit for the entire twelve month period, the Company may file with the Commission seeking permission to terminate the credit prior to December 2009.

Certificate of Service

I hereby certify that a copy of the cover letter and / or any materials accompanying this certificate was electronically mailed, sent via U. S. Mail and/or hand-delivered to the individuals listed below.



Joanne M. Scanlon

February 18, 2009

Date

National Grid – Annual Reconciliation Retail Tariff Filing

Docket No. 4011

Service List Updated 11/25/08

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