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June 22, 2011

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

Re: Docket 4206

Dear Luly:

I enclose the original and ten copies of the *Brief of George Wiley Center* in
Docket 4206. Please file accordingly.

Thank you.

Sincerely,



B. Jean Rosiello

cc: Service List by email

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

National Grid's Revenue Decoupling)
Mechanism (RDM) Proposal) Docket No. 4206

Brief of George Wiley Center

The RDM statute authorizes the Public Utilities Commission (the Commission) to protect low-income customers from the increases in rates which will ensue when gas and/or electric usage decreases. R.I.G.L. § 39-1-27.1. The George Wiley Center (the Center) asks that the Commission exercise this authority when establishing the principles according to which the RDM will operate.

The RDM is likely to result in increased rates for the foreseeable future. If the amount of usage goes down with conservation efforts, rates must go up, thereby wiping out or reducing the discounts given to those least able to pay. As Bruce Oliver noted in his direct testimony at page 49-50, fn. 11, if the RDM program works, RDM adjustments must be expected "to exhibit a clear bias toward the assessment of surcharges." National Grid's forecast agrees that energy efficiency will result in decreases in residential electric use every year for the next five years.¹ *Record Request Wiley-1.*

Even when gas or electricity usage goes up, resulting in a sur-credit, that credit will be deferred until the annual rate filing. Customers pay first and get repaid later. Low-income people live too close to the line, however, to pay the extra pending return of the overpayment.

Even the smallest increase in rates will weigh heavily on Rhode Island's poorest inhabitants. While many people are struggling in this economy, the individuals and

¹ National Grid has not provided anticipated gas usage rates with and without energy efficiency. *Record Request Wiley-1.*

families with the least income suffer the most. It is often said that this class of customer has the benefit of multiple government supports, but this is a canard. Most government supports do not provide cash to pay bills such as utility rates. According to the business-backed Rhode Island Public Expenditure Council (RIPEC), the bulk of this money goes to vendors of medical services, not to low-income people.² *Wiley Exhibit 2*. The amount of cash going to welfare recipients has not risen in twenty years. *Wiley Exhibit 3*. A family of three lives on \$ 554 per month. *Id.* The state of Rhode Island spends nothing at all on cash assistance benefits. *Id.* Neither unemployment benefits nor minimum wage is enough to pay all of a family's expenses. Not surprisingly, low-income Rhode Islanders use less gas and electricity for heating than other residential customers.³

Record Request Wiley-2.

In light of these facts, the George Wiley Center asks that the Commission apply the RDM to low-income Rhode Islanders in such a way as to encourage conservation while providing low-income customers some relief from the increase in rates that the RDM will cause. The Center proposes that:

- Where the RDM results in a sur-charge on account of reduced usage, low-income customers will be required to pay the increase in rates only on that portion of their usage which exceeds a reasonable level set by the Commission.
- Where the RDM result in a sur-credit, all low-income customers will get the benefit of the reduction in rates.

² This point was highlighted in a Politifact analysis appearing in the Providence Journal on April 24, 2011.

³ Low-income people use more electricity for non-heating purposes probably due to old and/or poorly functioning appliances.

Respectfully submitted,
The George Wiley Center
By its attorney,



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Certificate of Service

I certify that on the 22nd day of June, 2011, I served a copy of this document on each of the members of the Docket 4206 service list by email.



**Docket No. 4206 - National Grid (NGrid) – Revenue Decoupling Mechanism Filing
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