

April 18, 2011

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4206 - Revenue Decoupling Mechanism Proposal
Responses to Division Data Requests 1-8 and 1-18**

Dear Ms. Massaro:

Enclosed please find National Grid's responses to Division Data Requests 1-8 and 1-18 in the above-captioned proceeding.

Please be advised that the Company is seeking protective treatment of the confidential attachments 1 and 2 to Division Data Request 1-8, as permitted by Commission Rule 1.2(g) and by R.I.G.L. § 38-2-2(4)(i)(B). The Company has submitted a Motion for Protective Treatment along with a copy of the confidential attachments to the Commission. The Company has submitted a redacted version of these attachments for the public record. In addition, the Company is providing the confidential attachments to the Division's consultant.

Please note: Due to the voluminous nature of the redacted version and confidential version of the attachments 1 and 2 to Division 1-8, the Company is providing the Commission with three (3) CD-ROM's containing the redacted and confidential versions of these attachments and one (1) CD-ROM to the Division's consultant.

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 4206 Service List
Leo Wold, Esq.
Steve Scialabba, Division

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
RHODE ISLAND PUBLIC UTILITIES COMMISSION

**Proposed Revenue Decoupling Mechanism
For Gas and Electric**

Docket 4206

**NATIONAL GRID'S REQUEST
FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION**

National Grid¹ hereby requests that the Rhode Island Public Utilities Commission (“Commission”) provide confidential treatment and grant protection from public disclosure of certain confidential, competitively sensitive, and proprietary information submitted in this proceeding, as permitted by Commission Rule 1.2(g) and R.I.G.L. § 38-2-2(4)(i)(B). National Grid also hereby requests that, pending entry of that finding, the Commission preliminarily grant National Grid’s request for confidential treatment pursuant to Rule 1.2 (g)(2).

I. BACKGROUND

On April 18, 2011, National Grid filed with the Commission a response to Division Data Request 1-8, which contained confidential customer billing account information. The Company requests that that information be accorded confidential treatment under the Commission’s rules.

¹ The Narragansett Electric Company d/b/a National Grid (“National Grid” or the “Company”).

II. LEGAL STANDARD

The Commission's Rule 1.2(g) provides that access to public records shall be granted in accordance with the Access to Public Records Act ("APRA"), R.I.G.L. §38-2-1, *et seq.* Under APRA, all documents and materials submitted in connection with the transaction of official business by an agency is deemed to be a "public record," unless the information contained in such documents and materials falls within one of the exceptions specifically identified in R.I.G.L. §38-2-2(4). Therefore, to the extent that information provided to the Commission falls within one of the designated exceptions to the public records law, the Commission has the authority under the terms of APRA to deem such information to be confidential and to protect that information from public disclosure.

In that regard, R.I.G.L. §38-2-2(4)(i)(B) provides that the following types of records shall not be deemed public:

Trade secrets and commercial or financial information obtained from a person, firm, or corporation which is of a privileged or confidential nature.

The Rhode Island Supreme Court has held that this confidential information exemption applies where disclosure of information would be likely either (1) to impair the Government's ability to obtain necessary information in the future; or (2) to cause substantial harm to the competitive position of the person from whom the information was obtained. Providence Journal Company v. Convention Center Authority, 774 A.2d 40 (R.I.2001).

The first prong of the test is satisfied when information is voluntarily provided to the governmental agency and that information is of a kind that would customarily not be

released to the public by the person from whom it was obtained. Providence Journal, 774 A.2d at 47.

In addition, the Court has held that the agencies making determinations as to the disclosure of information under APRA may apply the balancing test established in Providence Journal v. Kane, 577 A.2d 661 (R.I.1990). Under that balancing test, the Commission may protect information from public disclosure if the benefit of such protection outweighs the public interest inherent in disclosure of information pending before regulatory agencies.

II. BASIS FOR CONFIDENTIALITY

The Company seeks confidential treatment for the customer billing account information contained in column A of attachments 1 and 2 to the Company's response to Division Data Request 1-8. The Company seeks confidential treatment in order to protect the identity of customer billing accounts that are part of this response. Pursuant to the Commission's Rules, the Company has provided a public version of its response in which it has redacted the column of the spreadsheet that contains the customer billing account information. The Company has also provided the Commission with a confidential un-redacted version of this data response.

III. CONCLUSION

Accordingly, the Company requests that the Commission grant protective treatment to Appendix A and so much of Appendix C as identifies the party with which the Company is still negotiating.

WHEREFORE, the Company respectfully requests that the Commission grant its Motion for Protective Treatment as stated herein.

Respectfully submitted,

NATIONAL GRID

By its attorney,



Thomas R. Teehan
National Grid
40 Sylvan Road
altham, MA 02451
907-1820

W
(781)

Dated: April 18, 2011

Division 1-8

Request:

Please provide documentation of all billing adjustments made to individual electric customer bills over the Company's last three fiscal years and its current fiscal year to date showing:

- a. The month in which the adjustment was reflected on the customer's bill;
- b. The month(s) of actual usage to which the adjustment applied;
- c. The dollar amount of each adjustment by month for which the adjustment was applicable;
- d. Any and all changes in billing units by month associated with the billing adjustment.

Response:

The attachments to this response contain data extracted from the Company's Customer Service System ("CSS") for the period Jan 2008 through March 2011. The attachments reflect tables with identical formats. The column descriptions for the tables are as follows:

Column a: Billing account number.

Column b: "Meter Read" indicates the actual metering reading date of the billing transaction.

Column c: "Posting Timestamp" indicates the date that the adjustment was posted to the account and would have appeared in the customer's next bill.

Column d: "Bill Code" indicates the type of transaction that occurred. A bill code of 0400 indicates a normal transaction and a bill code of 0095 indicates a bill cancellation occurred.

Column e: "Days Billed" indicates the number of billing days included in the billing period.

Column f: "Total Bill" indicates the dollar amount of the billing transaction.

Column g: "kWh Billed" indicates the kWh usage for the billing transaction.

The data included in both attachments was extracted from CSS based on a query that requested all billing transactions with a billing code of 0095, indicating a bill cancellation, and

Division 1-8 (continued)

any other transactions for the same account with a meter read date identical to the meter read date of the bill cancellation. Generally, this query returns either one or two additional billing transactions for each transaction type 0095. Attachment 1 includes all accounts for which three transactions were returned from the query. The first transaction is the initial bill produced on the customer's scheduled billing date, the second transaction cancels the original bill, and the third transaction is the rebilling of the usage for the period indicated by the number of billing days shown in column (e). It should be noted that in some cases, the customer will receive both the initial bill and the rebill. In other cases, the billing system will reject the initial bill because it detects a potential error, and the cancellation and rebill are issued before the original bill is sent. Therefore, the customer will only receive the rebill.

Attachment 2 includes accounts where there are two records (occasionally, 1 or 4 records also appear) with the same meter read date. One record is the original bill and the other is the bill cancellation. In these cases, the rebill normally occurs a month later and on a meter read date that is later than the meter read date of the initial bill. There is no way to reliably extract the rebill associated with these types of billing adjustments as the billing code attached to the rebill transaction is 0400, the same billing code as the initial bill, as it is for any regular, on-cycle bill, and the meter read date is different than the original bill date. In effect, the rebill one-month later is embedded in the subsequent month's bill.

There are other types of adjustments that occur in CSS on a regular basis. For the most part, these adjustments are miscellaneous revenue adjustments that were not related to adjustments to usage, for example, inter-company payment transfers that affects accounts receivable, not revenue (customer sends electric payment in gas billing envelope), corrections to payment postings, transfer of payments to a different account, etc. The only information available pertaining to these types of adjustments is the transaction posting date and the dollar amount of the adjustment. These transactions are not included in the data provided.

Prepared by or under the supervision of: Jeanne Lloyd

Division 1-18

Request:

Re: Exhibit JAL-2:

- a. Please provide the "Unbilled Factor" for each month that the Company intends to use in actual applications of its electric RDM and justify the reasonableness and appropriateness of factor and the methods used to derive the factor.
- b. Please fully detail the Company's calculation of the (\$31,341) amount shown for "Interest @ Customer Deposit Rate."
- c. Please provide all data and analyses supporting the determinations of the rates per kWh shown in Column (i).

Response:

- a) Since the Company's RDM reconciliation will be submitted annually, and will be designed to reflect revenues associated with kWh deliveries for the period April 1 through March 31 of each year, the Company will estimate the revenue associated with unbilled kWh for the first and last months of the reconciliation. Unbilled kWhs, i.e. kWhs that are delivered in one month but billed in a subsequent month, will be estimated using a daily cycle sales report that indicates how many kWhs were billed in each of the Company's twenty (20) billing cycles in each month. The kWhs in each cycle will be allocated to the months based upon the number of days in the billing cycle attributable to each month. For example, if a billing cycle is read on the 15th day of each month and contains thirty days in total, 15 days, or 50%, of the billed kWhs will be allocated to each month.
- b) The Interest @ Customer Deposit Rate is calculated as:

$$((\text{Beginning Balance: } \$0 + \text{Ending Balance: } -\$2,656,051) \div 2) * 2.36\% \text{ Customer Deposit Rate}$$
- c) Please see Attachment 1 DIV 1-18 C for the calculation of the rates per kWh shown in Exhibit JAL-2 Column (i). Please note the incorrect average monthly distribution rates were used in calculation of estimated revenue in Exhibit JAL-2 Column (i). This column should have consisted of averages rates from October through March. Instead it is showing rates for August through January. The estimated revenue in this illustrative example is included for informational purposes.

Calculation of Average Distribution Rates

	Monthly <u>ATR</u> (a)	Rate Case Forecasted <u>kWh Deliveries</u> (b)	Average Distribution <u>Rate</u> (c)
Jan-10	\$20,881,563	708,181,686	\$0.02949
Feb-10	\$18,974,716	643,888,079	\$0.02947
Mar-10	\$19,002,911	614,204,339	\$0.03094
Apr-10	\$17,873,347	612,780,383	\$0.02917
May-10	\$17,295,792	550,272,046	\$0.03143
Jun-10	\$17,303,274	589,636,038	\$0.02935
Jul-10	\$21,282,983	700,064,765	\$0.03040
Aug-10	\$22,312,521	759,331,790	\$0.02938
Sep-10	\$21,787,606	672,419,529	\$0.03240
Oct-10	\$17,358,091	604,126,879	\$0.02873
Nov-10	\$17,878,852	583,706,952	\$0.03063
Dec-10	\$18,819,342	626,480,465	\$0.03004
Total	\$230,771,000	7,665,092,951	\$0.03011

Column Descriptions:

- (a) per RIPUC Docket No. 4206 Exhibit JAL-1, Page 2, Column (c)
- (b) per Company forecast as of March 2009
- (c) Column (a) ÷ Column (b), rounded to 5 decimal places