



State of Rhode Island and Providence Plantations

DEPARTMENT OF ATTORNEY GENERAL

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Peter F. Kilmartin, Attorney General

November 23, 2011

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

In Re: Docket No. 4290

Dear Ms. Massaro,

The Division of Public Utilities and Carriers (“Division”) writes to provide the Rhode Island Public Utilities Commission (“Commission”) with its comments regarding the “Enhancement Plan Charge” filed by the Rhode Island Office of Energy Resources (“OER”) effective on January 1, 2012. G.L. § 39-1-27.12(c)(1) & (2) impose a LIHEAP¹ Enhancement Charge (referred to hereinafter as the “Charge”) of no more than \$10.00 per year for each electric and natural gas customer or a maximum charge of 83¢ per month per customer.

Separate Line Item on Utility Bill

Pursuant to G.L. § 39-3-37.3,² electric distribution companies charging for the delivery of electricity are required to display all charges, fees and applicable taxes on their billing statements. In order to comply with this statute, no debate exists that The Narragansett Electric

¹ LIHEAP is the federal “Low Income Home Energy Assistance Program.”

² G.L. § 39-3-37.3 provides as follows:

“Informational notice on electric bills – Electrical distribution company. - (a) Every electric distribution company which shall charge for the distribution of electricity to any house, building, tenement or estate *shall conspicuously display* upon the bill or statement for any customer the following information: (1) The total number of kilowatt hours consumed; (2) The total cost of distributing the consumer power to the customer; (3) Transition charges; (4) Conservation costs; (5) The total cost of transmitting the consumed power to the appropriate distribution site; (6) All applicable credits; (7) Applicable street light rental costs; (8) Applicable taxes; (9) The cost of power delivered; and (10) *All other costs, charges or fees added to the bill or statement.* (b) The electric distribution company shall issue a single bill for electric service to all customers in its

Company, d/b/a National Grid (the “Company”) must display the Charge as a separate line item on customers’ electric bills. Consistency of regulatory treatment logically requires that the Company utilize the same method to display the Charge on customers’ monthly gas bills.

Administrative Expenses

The Henry Shelton Act is specific, authorizing the Commission to determine whether the Company’s “added administrative expenses to process the credit assignments” provided to it by OER should be recovered “either from the Charge or through a separate charge approved by the Public Utilities Commission.” G.L. § 39-1-27.12(e). In discovery, the Commission requested the Company to provide an estimate of the distinct administrative expenses associated with its gas and electric operations that the Company would incur to process credit assignments to households receiving LIHEAP assistance payments. As of the date of this correspondence, the Company has not provided a response to the Commission’s Data Request No. 1-4. Without the requested expense projections, the Division and the other parties to the pending docket are unable to identify the magnitude of the administrative costs associated with the Charge.

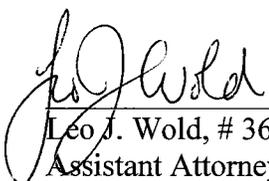
Moreover, the utility’s administrative work associated with the Charge parallels the annual disbursement operations of federal LIHEAP assistance through primary and crisis heating grants from Rhode Island Community Action Programs (“CAP agencies”) as well as the Company’s participation in assigning public contributions for heat assistance from the Good Neighbor Energy Fund, the Interfaith Community Dire Emergency Fund, and pledges from local churches, *etc.* to low-income households for natural gas and electric services. The Division views any new work effort of management and clerical-related functions associated with the Charge like that of any other low-income funding program for energy assistance—as a part of the Company’s general business operations. Any incremental administrative functions associated with the LIHEAP Enhancement Fund can be easily included in the Company’s existing operations as a routine, additional function. Thus, the Company’s administrative expenses associated with implementing the Charge should be treated as general overhead rather than reducing the value of the new legislatively-created charge, which should be borne by the Company until it can seek recovery of the expenses from ratepayers in its next general rate filing.

service territory; provided however, that customers of nonregulated power producers may request the nonregulated power producers to provide separate bills for electricity supply.” (Emphasis added).

Thank you for providing the Division with the opportunity to provide comments in the above-entitled matter, and if you have any questions or comments, please do not hesitate to contact me.

Respectfully submitted,

Division of Public Utilities and Carriers



Leo J. Wold, # 3613
Assistant Attorney General

cc: Service List