



State of Rhode Island and Providence Plantations

DEPARTMENT OF ATTORNEY GENERAL

150 South Main Street • Providence, RI 02903

(401) 274-4400 - TDD (401) 453-0410

Peter F. Kilmartin, Attorney General

November 30, 2012

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 Rates” filed by the Rhode Island Office of Energy Resources (“OER”) on October 15, 2012, effective on January 1, 2013 and LIHEAP¹ Enhancement Plan Reconciliation filed by The Narragansett Electric Company d/b/a National Grid (the “Company”) on October 26, 2012. G.L. § 39-1-27.12(c)(1) & (2) imposes a LIHEAP 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.

OER’s filing calls for the continuation of the current funding level of \$.83 per month per customer through calendar year 2013. National Grid’s filing indicates that the LIHEAP Enhancement Fund “has generated \$5,353,394 thru September [of 2012].” The Company’s filing describes with more particularity how this amount is calculated:

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

Using actual Enhancement Charges revenues for January through September 2012 and forecasted Enhancement Charge revenues and collections for October through December 2012, and netting that amount against the amounts of LIHEAP Enhancement Credits issued during January through September 2012 and LIHEAP Enhancement Credits to be issued during October through December 2012, the Reconciliation provides an estimated total ending balance of \$5.3 million.

This balance, the Company proceeds to state, “does not reflect any additional LIHEAP Enhancement credits that may be provided to customers through the remainder of 2012.”

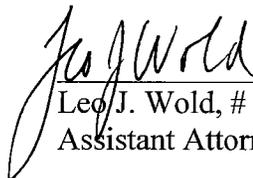
Recognizing the magnitude of the balance at the end of 2012, OER states that only “after consultation with the Division, the Company and community action agencies and other advocacy organizations,” will it establish the amount of the additional credits that accounts receiving 2013 LIHEAP benefit for both Primary and/or Crisis will receive from the fund. The method proposed by OER for determining the amount of the additional credits that will be distributed is within the province of OER. That OER will consult with the Division, the Company and other advocacy agencies and organizations prior to the establishment of the additional credit amount renders OER’s proposal eminently reasonable.

As National Grid stated in its filing, the balance in the fund at the end of December 2012 is estimated to be \$5.3 million. Though this balance may appear large in light of total estimated collections for 2012 of \$7,262,454, it does not include any estimated credits for the period October – December 2012. In addition, since this program is still in its infancy and there is not significant historical data related to credits provided customers, the Division is not opposed to continuing the current funding level of \$.83.

Based on its review of the OER’s Enhancement Plan Rates as well as the Company’s Reconciliation Enhancement Plan Reconciliation, the Division recommends Commission approval of both filings as filed.

Respectfully submitted,

Division of Public Utilities and Carriers



Leo J. Wold, # 3613
Assistant Attorney General

cc: Service List