

November 29, 2011

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4290 LIHEAP Enhancement Plan Rates Pursuant Henry Shelton Act
Comments of National Grid**

Dear Ms. Massaro:

On behalf of National Grid,¹ I am filing the attached proposed gas and electric tariffs to reflect the proposed LIHEAP Enhancement Plan provisions and recommended charge that were filed by the Rhode Island Office of Energy Resources (“OER”) pursuant to the newly enacted Low Income Home Energy Assistance Program Enhancement Plan found at R.I.G.L. §39-1-27.12. The proposed tariff language provides for a monthly rate for the LIHEAP Enhancement Charge of \$0.83 per customer effective January 1, 2012, and that the charge shall appear as a separate line item on a customer’s bill. Due to billing system issues described in the Company’s November 23 comments, please note that the Company has proposed an adjusted charge for February bills to apply to those customers who do not receive the charge on their January bill.

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

Enclosure

cc: Docket 4290 Service List
Steve Scialabba
Leo Wold, Esq.

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

THE NARRAGANSETT ELECTRIC COMPANY
LIHEAP ENHANCEMENT PLAN PROVISION

In accordance with R.I.G.L. § 39-1-27.12, beginning January 1, 2012 and for every month thereafter, the Company shall bill to all customers a Low Income Home Energy Assistance Enhancement Plan charge (“LIHEAP charge”) approved by the Commission, provided however that the annual charge shall not exceed ten (\$10) dollars per customer, per year. For purposes of this section a “customer” is defined as any person taking service at a single point of electric service delivery or electric service meter.

The monthly rate for the LIHEAP charge is \$0.83 per customer and shall appear as a separate line item on a customer’s bill.

The Company shall establish a LIHEAP Enhancement Plan fund that shall be used to account for the combined funds collected through the LIHEAP charge from both gas and electric service customers. The State Office of Energy Resource shall designate to the Company the qualifying customer accounts and the amounts to be credited from the LIHEAP Enhancement Plan fund. The cumulative annual amount of credits applied to customer bills will be limited to an amount no greater than the aggregate projected LIHEAP Charges billed in any given calendar year. Once the aggregate credits applied to customer’s bills equals the aggregate projected LIHEAP Charge billed during the calendar year, the application of the Enhancement Plan credits would cease. Any difference in projected and actual LIHEAP Charge billings in a calendar year would be added to or subtracted from the subsequent year’s projected LIHEAP Charge billings in establishing the future year’s total available funds.

The projected annual revenue in the LIHEAP Enhancement Plan fund collected through the gas and electric service LIHEAP Enhancement Plan charges shall not exceed seven million five hundred thousand dollars (\$7,500,000) and shall not be less than six million five hundred thousand dollars (\$6,500,000).

For purposes of receiving funds from the LIHEAP Enhancement Plan fund, a qualifying LIHEAP eligible customer shall be a household with a combined gross income equal to or less than sixty percent (60%) of the state median household income as calculated by the U.S. Bureau of Census and as adjusted for family or group size by the U.S. Department of Health and Human Services regulation 45 CFR Sec. 96.85 or its successor regulation.

Effective Date: January 1, 2012

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM ENHANCEMENT PLAN
CHARGE

**1.0 Low Income
Home Energy Assistance
Enhancement Plan
(LIHEAP) Charge**

In accordance with R.I.G.L. § 39-1-27.12, commencing January 1, 2012 and for every month thereafter the Company shall bill to all customers a LIHEAP Enhancement Plan charge approved by the Commission, provided however that the annual charge shall not exceed ten (\$10) dollars per customer, per year. The LIHEAP Enhancement charge approved by the Commission shall appear as a separate line item on a customer's bill.

For purposes of this section a "customer" is defined as any person taking service at a single point of gas delivery or gas meter.

The monthly rate for the LIHEAP charge is \$0.83 per customer and shall appear as a separate line item on a customer's bill, provided however, that for those customers that do not receive a monthly LIHEAP Enhancement Plan charge on their January 2012 bill, their February 2012 bill will have a charge of \$1.66.

**2.0 LIHEAP
Enhancement
Fund**

The Company shall establish a LIHEAP Enhancement charge fund that shall be used to account for the combined funds collected through the LIHEAP Enhancement charge from both gas and electric service customers. The State Office of Energy Resource shall designate to the Company the qualifying customer accounts and the amounts to be credited from the LIHEAP Enhancement fund. The cumulative annual amount of credits applied to customer bills will be limited to an amount no greater than the aggregate projected LIHEAP Enhancement Plan Charge billed in any given calendar year. Once the aggregate credits applied to customer's bills equals the aggregate projected Enhancement Plan charge billed during the calendar year, the Enhancement Plan credits would cease. Any difference in projected and actual billings in a

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM ENHANCEMENT PLAN
CHARGE

calendar year would be added to or subtracted from the subsequent year's projected Enhancement Plan Charge billings in establishing the future year's total available funds.

The projected annual revenue in the LIHEAP Enhancement Plan fund collected through the gas and electric service LIHEAP Enhancement Plan charges shall not exceed seven million five hundred thousand dollars (\$7,500,000) and shall not be less than six million five hundred thousand dollars (\$6,500,000).

3.0 LIHEAP

Eligible Customer

For purposes of receiving funds from the LIHEAP Enhancement fund in subpart 2.0 above, a qualifying LIHEAP eligible customer shall be a household with a combined gross income equal to or less than sixty percent (60%) of the state median household income as calculated by the U.S. Bureau of Census and as adjusted for family or group size by the U.S. Department of Health and Human Services regulation 45 CFR Sec. 96.85 or its successor regulation.