

November 23, 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:

National Grid<sup>1</sup> is filing these comments on the relevant aspects of the LIHEAP Enhancement Plan, which 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.

- a. Single Fund  
The Company agrees that establishment of a single fund used to credit both gas and electric accounts is an approach that is consistent with the intent of the statute. However, since the expectation is that more of the funds collected from electric customers will be utilized to support gas heating customers, a number of intercompany issues will need to be examined and addressed in more detail in order to ensure proper accounting and tracking of these funds. The Company is exploring the details of establishing such an account and will supplement these comments with any concerns that are identified.
  
- b. Administrative Expenses  
The OER in its filing and in responses to the Commission’s first set of data requests describes a process whereby the OER will provide the Company with a file designating accounts that are to receive LIHEAP credits. The Company would also then apply an Enhancement Plan credit to those designated accounts (the same credit for each account). Subject to additional information from the OER on its proposed plan, the Company would agree with the OER’s suggestion that the plan be administered in such a fashion. However, it will be necessary for the Company to work cooperatively with the OER to establish an efficient process to administer the Enhancement Plan credits to customers.

---

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

Based on a review of the OER's proposal, the Company would anticipate that aside from the initial system-build costs the incremental cost of ongoing administration of the payment of credits in this fashion would be for a fraction of a full time employee to oversee and report on the fund. This conclusion is subject to continuing review and actual experience as the plan is implemented.

Nevertheless, the Company anticipates that there will be initial costs to program the billing systems, which are estimated to be no more than \$20,000. The Company's implementation of the CSS system for its gas accounts is now scheduled to occur on January 23, 2011. In terms of timing of the effective date of the gas charge, the Company could reprogram its existing Advantage system at an approximate cost of slightly in excess of \$10,000. This would allow for the 83.33 cent monthly LIHEAP Enhancement charge to appear on gas bills beginning on January 1. One significant problem, however, is that there may not be sufficient lead time for the Company's vendor to implement this change. In the alternative, to avoid the additional cost and address the significant lead-time issue related to gas bills issued during that 23-day period, another approach would be for the Company to include both the January and February LIHEAP Enhancement charges in the February gas bill for gas customers whose January 2012 bills were sent out before the January 23, 2011 cut-over to the CSS system. The Company would recommend this latter approach as in addition to the other benefits referred to above, it would permit National Grid's IT organization to focus its work efforts on programming and testing a single billing system conversion and not have to undertake the more complex, and possibly riskier, effort of programming and testing multiple systems.

c. Amount Available for Enhancement Credits

The OER indicates that 2012 LIHEAP heating season extends essentially from January 1, 2012 to April 15, 2012. The OER has recommended<sup>2</sup> that rather than requiring that only that amount collected during the heating season be available for use as credits during that period of time, the Commission should allow the full annual projected revenue to be used to credit accounts during the 2012 heating season. The Low Income Home Energy Assistance Program Enhancement Plan Act specifically provides that "the total amount to be credited to those [customer] accounts shall be fully funded by and not exceed the total amount collected through the Enhancement Plan Charge." R.I.G.L. §39-1-27.12(e). Given these provisions, the Company would support the approach recommended by the OER. However, the cumulative annual amount of credits applied to customer bills should be limited to an amount no greater than the aggregate projected Enhancement Plan Charge billed in any given calendar year. Once the aggregate credits applied to customer bills equals the aggregate projected Enhancement Plan Charge billed during the calendar year, the enhanced credits would cease. Any difference in projected and actual billings would be added to or subtracted from the subsequent year's projected Enhancement Plan Charge billed in establishing that year's total amount available

---

<sup>2</sup> See OER Response to Comm 1-6.

for credit. In any event, any amount billed that exceeds the statutory maximum of \$7.5 million would be credited to customers in the next year's Enhancement Plan charge.

d. Single Line Item

Finally, the Company recommends that the LIHEAP Enhancement Charge be broken out as a separate line item on the customer bill.

The Company would like to reserve the opportunity to provide supplemental comments based on the comments of other parties or additional concerns that it discovers as it considers the challenges of establishing the single fund and arranging for the administration of the fund.

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.

## Certificate of Service

I hereby certify that a copy of the cover letter and / or any materials accompanying this certificate has been electronically transmitted, sent via U.S. mail or hand-delivered to the individuals listed below.

\_\_\_\_\_  
Joanne M. Scanlon

11/23/2011  
Date

**Docket No. 4290 – Office of Energy Resources – LIHEAP Enhancement  
Charge Filing    Service List updated 10/25/11**

<b>Name/Address</b>	<b>E-mail Address</b>	<b>Phone</b>
Kenneth Payne RI Office of Energy Resources One Capitol Hill Providence, RI 02908-5850	<a href="mailto:Kenneth.Payne@energy.ri.gov">Kenneth.Payne@energy.ri.gov</a>	401-574-9125
	<a href="mailto:Joyce.discuillo@energy.ri.gov">Joyce.discuillo@energy.ri.gov</a>	
Frederick W. Stolle, Esq. Dept. of Administration Division of Legal Services One Capitol Hill, 4 <sup>th</sup> Floor Providence, RI 02908-5890	<a href="mailto:Fred.stolle@doa.ri.gov">Fred.stolle@doa.ri.gov</a>	401-222-1150
John A. Langlois, Esq. Dept. of Administration	<a href="mailto:John.Langlois@doa.ri.gov">John.Langlois@doa.ri.gov</a>	401-222-4889
Thomas R. Teehan, Esq. National Grid 280 Melrose St. Providence, RI 02907	<a href="mailto:Thomas.teehan@us.ngrid.com">Thomas.teehan@us.ngrid.com</a>	401-784-7667
	<a href="mailto:Joanne.scanlon@us.ngrid.com">Joanne.scanlon@us.ngrid.com</a>	
Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	<a href="mailto:Lwold@riag.ri.gov">Lwold@riag.ri.gov</a>	401-222-2424
	<a href="mailto:Sscialabba@ripuc.state.ri.us">Sscialabba@ripuc.state.ri.us</a>	
	<a href="mailto:Jlanni@ripuc.state.ri.us">Jlanni@ripuc.state.ri.us</a>	
	<a href="mailto:mcorey@riag.ri.gov">mcorey@riag.ri.gov</a>	
	<a href="mailto:dmacrae@riag.ri.gov">dmacrae@riag.ri.gov</a>	
<b>File an original &amp; 10 copies w/:</b> Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Lmassaro@puc.state.ri.us">Lmassaro@puc.state.ri.us</a>	401-780-2107
	<a href="mailto:Cwilson@puc.state.ri.us">Cwilson@puc.state.ri.us</a>	
	<a href="mailto:Anault@puc.state.ri.us">Anault@puc.state.ri.us</a>	
	<a href="mailto:Dshah@puc.state.ri.us">Dshah@puc.state.ri.us</a>	
	<a href="mailto:Nucci@puc.state.ri.us">Nucci@puc.state.ri.us</a>	

Henry Shelton The George Wiley Center	<a href="mailto:debbiec@georgewileycenter.org">debbiec@georgewileycenter.org</a>	
	<a href="mailto:b.flambeau@juno.com">b.flambeau@juno.com</a>	
	<a href="mailto:jrosiello@mgolaw.com">jrosiello@mgolaw.com</a>	
Karina Lutz	<a href="mailto:karina@ripower.org">karina@ripower.org</a>	401-497-5968
Christopher Kearns, Governor's Policy Office	<a href="mailto:Christopher.Kearns@governor.ri.gov">Christopher.Kearns@governor.ri.gov</a>	