

December 19, 2014

VIA UPS DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4393 - Standard Offer Service Rates
Period of January – June 2015 for Residential and Commercial
Period of January – March 2015 for Industrial
Responses to Record Requests**

Dear Ms. Massaro:

Enclosed are National Grid's¹ responses to Record Requests issued at the Rhode Island Public Utilities Commission's Evidentiary Hearing on December 16, 2014 in the above-referenced docket.

Thank you for your attention to this transmittal. If you have any questions, please contact me at 401-784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4393 Service List
Steve Scialabba
Leo Wold, Esq.

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

Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate was electronically transmitted to the individuals listed below.

Copies of this filing were delivered via UPS to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities Carriers.



Jennifer Brooks Hutchinson, Esq.

December 19, 2014

Date

**Docket No. 4393 - National Grid – 2014 SOS and RES Procurement Plans
Service List updated 12/12/14**

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File an original & 10 copies w/:	Luly.massaro@puc.ri.gov	401-780-2017
	Alan.nault@puc.ri.gov	

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Office of Energy Resources Nicholas Ucci Christoper Kearns	Nicholas.ucci@energy.ri.gov	
	Christopher.Kearns@energy.ri.gov	

Record Request 1

Request:

Is the Company’s practice with respect to the rate adjustment on the payment plans compliant with the Commission’s Termination Rules?

Response:

Yes, the Company’s practice with respect to rate adjustments on payment plans, referred to as the Company’s Budget Billing plan, complies with the Rhode Island Public Utilities Commission’s (PUC) Rules and Regulations Governing the Termination of Residential Electric, Gas and Water Utility Service (the Termination Rules) by including the effect of the rate change ratably over the remainder of the Budget Billing plan period following the six-month review as further explained below.

Payment Plan vs. Budget Billing Plan

The Company has two plans that assist customers in paying their past and future bills: (1) the “Budget Billing” plan, which helps customers avoid high seasonal payments by spreading the cost for utility service over an entire year, thereby helping customers avoid arrearages; and (2) the “Deferred Payment Agreement” plan, for customers who are in arrears and cannot pay their current bill in full.

Attachment RR-1 is an example of an account that is on both plans. Being on both plans simultaneously is common for customers in arrears because the Deferred Payment Agreement plan addresses past bill balances, and the Budget Billing plan addresses future bills.

In the example, the status of each plan is shown on the bill at the top right of page 1. This customer is on a Deferred Payment Agreement plan with a current balance of \$399.51 and a monthly installment of \$79.92 towards the customer’s arrears. With each bill, the customer is expected to pay the installment amount plus current charges. If the customer keeps up on these payments, the Deferred Payment Agreement will automatically close when its balance gets to zero. If the customer does not keep up on these payments, the Deferred Payment Agreement will default and the monies previously covered by that agreement will be subject to collection actions.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4393
2014 Standard Offer Service Rates
Period of January – June 2015 For Residential and Commercial
And Period January – March 2015 For Industrial
Responses to Record Requests issued
At the Commission’s Evidentiary Hearing
On December 16, 2014

This customer is also on the Budget Billing plan with a current budget amount of \$122.00. The bill indicates that this one-year budget plan began in October 2014. The bill also shows how much has been billed through budget charges, and how much was issued in actual charges. The difference between these two amounts is also shown as the “Amount In Customer Favor” or “Amount Due Company.” This difference is known as the “deferred balance.” Unless changed by a customer service representative at the request of the customer, this budget plan will remain at the \$122.00 amount for six months, at which point it will be reviewed and possibly adjusted. At the twelve-month anniversary in October 2015, the plan will “settle” (roll-over or apply the remaining deferred balance) and a new twelve-month plan will be established.

To determine a new Budget Bill plan amount, the system reviews the customer’s billed charges over the previous twelve-month period (known as the “annual base”). This amount is divided by twelve to establish the new budget amount. In this example, the budget amount was set at \$122.00 and this bill is the second bill issued in the budget plan (the first was issued on November 13). At review time (at six months in Rhode Island), the plan will determine the months that remain in the plan (in our example May 2015 through October 2015), determine the billed charges for those months last year (May 2014 through October 2014) and add in the accumulated deferred balance at that point (amount owed to the customer or owed to the Company). This total is divided by six to establish the new budget amount for the remaining six months.

Currently there are 19,608 Rhode Island electric accounts on a Deferred Payment Agreement plan and 22,140 Rhode Island electric accounts on a Budget Billing plan. 8,324 Rhode Island electric accounts are on both plans.

Effect of a Rate Change

When rates change during the period of a Budget Billing plan (for any customer on Budget Billing), the Company incorporates the new rate as follows:

For a Budget Billing plan customer, when a rate change is introduced into the system (for example, on January 1, 2015), actual charges from that point forward are calculated using the new rate. The difference between actual charges on the new rates and the budget amount on the prior rates will be captured in the deferred balance which, as explained above, is included in the plan’s six-month review. The timing of that six-month review depends upon the plan’s start date. In our example, the six-month review will occur in April 2015 and will include the effect of the new rates on the January 2015 through April 2015 actual charges. The new budget amount that

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4393
2014 Standard Offer Service Rates
Period of January – June 2015 For Residential and Commercial
And Period January – March 2015 For Industrial
Responses to Record Requests issued
At the Commission’s Evidentiary Hearing
On December 16, 2014

is established in April 2015 will capture the accumulated deferred balance for January 2015 through April 2015 and will be effective on this account’s May 2015 bill.

In this manner, the Company’s Budget Billing plan is including the effect of the rate change during the remainder of the plan period and is consistent with the Termination Rules. The new budget amount is communicated to the customer in the month the review occurs – April 2015 in this example. The Budget Billing plan is very effective at leveling out seasonal changes and will also self-adjust to changes in consumption and price. In addition, as provided in the Termination Rules (Part V, Section 2(A)) and as noted in the Company’s response to COMM 5-1, customers can request a change to their Budget Billing plan terms at any time based on a revised estimate of prospective annual utility costs.

As noted in the Company’s response to data request COMM-3-4, the Company’s Budget Billing plan option is a convenient and effective means for customers to mitigate the effect of the Company’s January 1, 2015 SOS price increase over time. Since the Company announced its proposed SOS rate, the Company has been offering the Budget Billing plan to customers calling the Company’s call center, and has provided new and existing plan customers the option of adjusting their monthly budget amount in advance of the plan’s own review process. When doing this on a new budget plan, a customer has the option of spreading out the rate increase over the entire twelve month period of their new budget plan.

SERVICE FOR

BILLING PERIOD
Nov 8, 2014 to Dec 10, 2014

ACCOUNT NUMBER

PLEASE PAY BY

AMOUNT DUE

Jan 8, 2015

\$ 201.92

ELECTRIC BILL

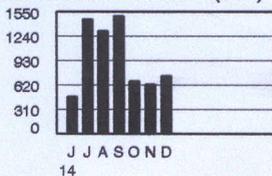
www.nationalgrid.com
 CUSTOMER SERVICE
1-800-322-3223
 CREDIT DEPARTMENT
1-888-211-1313
 GAS EMERGENCIES
1-800-640-1595
 POWER OUTAGE OR DOWNED LINE
1-800-465-1212
 EMAIL BILLING INQUIRES
 customerservice@us.ngrid.com
 CORRESPONDENCE ADDRESS
PO Box 960
Northborough, MA 01532-0960
 PAYMENT ADDRESS
PO Box 11739
Newark, NJ 07101-4739

DATE BILL ISSUED
Dec 15, 2014

Enrollment Information

To enroll with a supplier or change to another supplier, you will need the following information about your account:
 Loadzone RhodeIsland
 Acct No: Cycles:

ELECTRIC USAGE HISTORY (kWh)



Daily Averages	Dec 14
kWh	23.2
Cost	\$ 3.90

Actual Estimated

nationalgrid

PO Box 960
 Northborough MA 01532

YOUR PAYMENT THIS MONTH

Budget Plan Amount	122.00
Payment Agreement Amount	79.92
Amount Due ▶	\$ 201.92

PLAN STATUS

Payment Agreement - Started Oct 14	
Payment Agreement balance as of Dec 15	\$ 399.61
Budget Plan - Started Oct 14	
Accumulated Budget Plan charges	-244.00
Accumulated Actual Charges	233.08
Amount in Customer Favor after paying this bill	-\$ 10.92

ACCOUNT ACTIVITY

Previous Balance	201.92
Payment Received on NOV 19 (Credit Card) THANK YOU	- 201.92
Current Charges	+ 125.08

SUMMARY OF CURRENT CHARGES

	DELIVERY SERVICES	SUPPLY SERVICES	OTHER CHARGES/ ADJUSTMENTS	TOTAL
Electric Service	58.47	61.95		120.42
Other Charges/Adjustments			4.66	4.66
Total Current Charges	\$ 58.47	\$ 61.95	\$ 4.66	\$ 125.08

The Renewable Energy Charge is being collected for the purpose of acquiring a portion of Rhode Island's energy supply from renewable sources, as required by R.I. General Laws Section 39-26-1.

ENERGY EFFICIENCY PROGRAM CHARGE: You may be eligible to take advantage of products and services through our Energy Efficiency Programs, funded through the Energy Efficiency Program Charge that appears on your bill. Through your participation, you may see benefits such as lower energy bills and improved comfort in your home or business, and help contribute towards reducing reliance on fossil fuels, lessening the need for new generating plants, and lowering pollutants and carbon emissions. To learn more, call 1-866-903-2811 or visit www.nationalgridus.com/energyefficiencyservices.

KEEP THIS PORTION FOR YOUR RECORDS.

RETURN THIS PORTION WITH YOUR PAYMENT.

ACCOUNT NUMBER	PLEASE PAY BY	AMOUNT DUE
	Jan 8, 2015	\$ 201.92

ENTER AMOUNT ENCLOSED

\$

Write account number on check and make payable to National Grid

027557

NATIONAL GRID
 PO BOX 11739
 NEWARK NJ 07101-4739

000012508 8000020192008

Nov 8, 2014 to Dec 10, 2014

ACCOUNT NUMBER

PLEASE PAY BY

AMOUNT DUE

Jan 8, 2015

\$ 201.92

Enrollment Information

To enroll with a supplier or change to another supplier, you will need the following information about your account:

Loadzone Rhode Island

Acct No: [redacted] Cycle: [redacted]

Electric Usage History

Month	kWh
Jun 14	478
Jul 14	1460
Aug 14	1311
Sep 14	1500
Oct 14	682
Nov 14	635
Dec 14	741

Right To Dispute Your Bill And To An Impartial Hearing

If you believe your bill is inaccurate or for any reason payment may be withheld, you should first contact our Customer Service Department at 1-800-322-3223. If a mutually satisfactory settlement of this matter cannot be made, you have the right to submit this matter to: Reviewing Officer, Division of Public Utilities and Carriers, 89 Jefferson Blvd., Warwick, Rhode Island 02888 Telephone: 401-780-9700. National Grid will not disconnect your service pending proceedings before a reviewing officer appointed by the Public Utilities Administrator.

LIHEAP Charge

This charge is required under Rhode Island law and will be used to provide funding for a Low-Income Home Energy Assistance Program ("LIHEAP") Enhancement Plan, designed to assist low-income electric and natural gas households with their home energy and heating needs. By law, this charge may not be more than \$10 per year for each electric or natural gas service account.

Explanation of Billing Terms Available

If you would like an explanation of any of the terms used on your bill, you may find them on our web site at www.nationalgrid.com or you may call us at 1-800-322-3223.

DETAIL OF CURRENT CHARGES

Delivery Services

Service Period	No. of days	Current Reading	Previous Reading	Total Usage
Nov 8 - Dec 10	32	50195 Actual	49454 Actual	741 kWh

METER NUMBER [redacted] NEXT SCHEDULED READ DATE Jan 14

RATE Basic Residential Rate A-16

Customer Charge		5.00
LIHEAP Enhancement Charge		0.73
Distribution Energy Chg	0.03821 x 741 kWh	28.31
Energy Efficiency Prgms	0.00941 x 741 kWh	6.97
Renewable Egy Dist Chg	0.00039 x 741 kWh	0.29
Transmission Charge	0.02221 x 741 kWh	16.46
Transition Charge	0.00096 x 741 kWh	0.71
Total Delivery Services		\$ 58.47

Supply Services

SUPPLIER National Grid

Energy Charge	0.07879 x 741 kWh	58.39
Renewable Energy Chg	0.0048 x 741 kWh	3.56
Total Supply Services		\$ 61.95

Other Charges/Adjustments

Paperless Billing Credit		-0.34
Gross Earnings Tax	0.04166667 x 120.08	5.00
Total Other Charges/Adjustments		\$ 4.66

Right To Electric Service:

During Serious Illness: If you or anyone presently and normally living in your home is seriously ill, we will not discontinue your electric service during such illness providing you: have a registered physician certify in writing to us that such illness exists, the nature and duration of the illness and you make satisfactory arrangements to pay your bill. This certification must be received within seven (7) days from the date that your physician initially contacts our Credit Department at 1-888-211-1313.

You have a child under twenty four months and a financial hardship: If you or anyone presently and normally living in your home has a child under twenty four months old we will not terminate your electric service, provided you also have a financial hardship. Please call our Credit Department at 1-888-211-1313 immediately if this applies to you.

Termination of Service to Elderly or Handicapped Persons

If all residents in your household are 62 years of age or older or if any resident in your household is handicapped, the Company will not terminate your service for failure to pay the past due bill without written approval from the Division of Public Utilities. If you cannot pay your bill all at once, you may be able to work out a payment plan with the Company. The Elderly or Handicapped Forms that must be filled out are available at the Company. The Form also enables you to participate in "Third Party Notification". If you have any questions or want further information, call the Credit Department at 1-888-211-1313.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4393
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On December 16, 2014

Record Request 2

Request:

Would it be appropriate to include the Company’s Budget Billing program in its tariff (consider the Division’s authority to review collections methods).

Response:

As discussed in the Company’s response to Record Request 1, the Termination Rules already address payment plans for customers who are on a Budget Billing plan with the Company. Therefore, there is no added value to customers for the Company to replicate those provisions into its tariff.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4393
2014 Standard Offer Service Rates
Period of January – June 2015 For Residential and Commercial
And Period January – March 2015 For Industrial
Responses to Record Requests issued
At the Commission's Evidentiary Hearing
On December 16, 2014

Record Request 3

Request:

What is National Grid's peak load for the winter?

Response:

National Grid's forecasted 2014-2015 winter system peak for Rhode Island is 1,321 MW.