

terminate service when the reason for termination is non-payment.² The proposed amendment provides that the cost of the installation of either a street or curb valve shall be accounted for in utility plant in service and that proceeds received from the customer related to the cost of the installation of the street or curb valve shall be credited to utility plant in service. The Company requested an effective date of June 1, 2013.

On May 8, 2013, the Division filed a Memorandum in support of NGrid's proposal to modify its General Terms and Conditions related to assigning the full cost of the installation of a street or curb valve to a customer when that customer refuses to permit the Company access to his/her property for the purpose of terminating service for nonpayment. The Division noted that the proposed tariff complied with the Division's Order, No. 20834, and recommended approval without suspension.

At an Open Meeting on May 31, 2013, the PUC expressed concern regarding the impact of the amendment on all customers, those who are required to pay for the installation as well as those who may be affected by the termination of service of a tenant living in the same building in the case of a multi-unit complex that has only one meter. Over the objection of the Chairman at the time³, the PUC suspended the tariff advice in order to conduct a more detailed investigation. On June 3, 2013 and September 25, 2013, the PUC issued data requests to the Company to obtain additional information about the Company's termination process and the potential impacts on ratepayers.

Urging approval of the proposed tariff advice filing, the Division, through its attorney, filed a letter to "re-emphasize a number of salient points." The Division stressed that customers who accept gas service are legally obligated to provide access to

² Division Report and Order Number 20834, October 11, 2012.

³ On June 26, 2013, the Senate confirmed Governor Chafee's nomination of Margaret E. Curran to replace Elia Germani as Chairperson of the PUC.

the meter, which is owned by the Company. Moreover, the Division contended that installation of a curb valve would limit the growth of uncollectibles as well as eliminate waste of gas. Citing prior PUC orders, the Division asserted that, under the principles of cost causation, all ratepayers should not be required to pay for the costs associated with the installation of a curb valve to terminate the service of a customer who fails to comply with his/her tariff obligations.

At an Open Meeting on November 14, 2013, the PUC discussed the proposed changes. Noting that there may well be some percentage of customers who can afford, but refuse, to pay their utility bills, most of the customers who fail to pay are simply unable to afford to make such payment. NGrid indicated in its data responses that none of its other affiliates charges individuals for the cost of a curb valve when that individual has denied the company access for the purpose of terminating service. This PUC noted that customers who cannot afford to pay their gas bills, surely will be unable to afford the additional cost of a street or curb valve installation. Since the Company acknowledged that there are other reasons to install street or curb valves, other than to terminate service for non-payment, the PUC finds that the installation of such should be an on-going capital project expense. Requiring an individual who has affordability problems to pay an additional amount is punitive in nature. Understanding the reasoning behind the proposal and that there are some individuals who unfairly take advantage of the system, the PUC nevertheless believes that the inequities that would result from the proposed change outweigh any potential benefits.

In response to comments made during the November 14 meeting, the Division filed another letter addressing specific concerns raised by the Commissioners and

restating its support for the Company's proposed change. As to the PUC's concern that since most non-paying individuals likely cannot afford to pay such that approval of the tariff advice would be akin to an effort to draw "blood from a stone", the Division contended that the tariff advice is aimed at incentivizing delinquent customers to allow access to gas meters for the purpose of terminating service. Thus the threat of, as well as actual, termination will allow the utility to effectively manage its uncollectibles, the growth of which is unfair to all ratepayers. The Division asserted that a customer's ability to pay is irrelevant to whether NGrid has the right to terminate service for non-payment.

With regard to the PUC's reliance on the fact that none of NGrid's affiliates have the type of tariff sought and the Company had failed to explain why curb valves were not installed when the system was constructed, the Division essentially dismissed the absence of similar tariffs in other jurisdictions as irrelevant. As to the failure to have previously installed curb meters, the Division noted that the system was designed and constructed decades ago. Finally, regarding the PUC's noting of the unfairness of terminating service to all residents of a multi-family unit when only one family has not paid its bill, the Division countered that multiple efforts are employed by NGrid to inform a delinquent customer before service is actually terminated. The Division also pointed out that any paying customer in the building can simply call NGrid and arrange to allow the Company access to the premises, thereby avoiding termination of their own service.

At an Open Meeting on November 22, 2013, the PUC further deliberated on NGrid's proposed tariff advice. Expressing appreciation for the work that the Division had done on this matter and granting that in certain instances it may well be reasonable to

charge a recalcitrant customer for the cost of installing a street/curb valve, the PUC is not convinced that the proposed tariff is fair and reasonable for most customers. Noting again concern for innocent individuals who pay their bills being adversely affected by the Company's termination of service to a multi-unit building when only one customer has not paid for service, the PUC voted unanimously to deny the proposed tariff amendment.

Accordingly, it is hereby

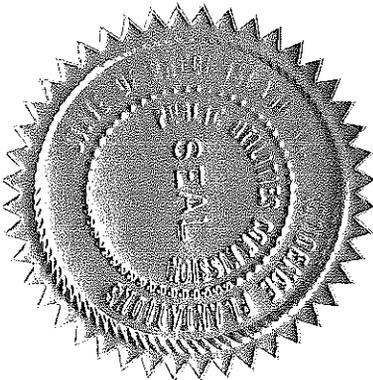
(21346) ORDERED:

The Narragansett Electric Company d/b/a National Grid Tariff Advice to amend NG-GAS No. 101, is denied.

EFFECTIVE AT WARWICK, RHODE ISLAND, NOVEMBER 22, 2013,
PURSUANT TO AN OPEN MEETING DECISION ON NOVEMBER 22, 2013.

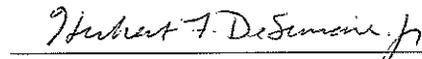
WRITTEN ORDER ISSUED FEBRUARY 6, 2013.

PUBLIC UTILITIES COMMISSION




Margaret E. Curran, Chairperson


Paul J. Roberti, Commissioner


Herbert F. DeSimone, Jr., Commissioner