

November 3, 2016

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4651 - Arrearage Management Program Provision
RIPUC No. 2130 and RIPUC NG-GAS No. 101
Responses to Division Data Requests – Set 1**

Dear Ms. Massaro:

Enclosed please find 10 copies of National Grid's¹ responses to the first set of data requests issued by the Rhode Island Division of Public Utilities and Carriers in the above-referenced docket.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-784-7415.

Very truly yours,



Robert J. Humm

Enclosures

cc: Docket 4651 Service List
Leo Wold, Esq.
Steve Scialabba, Division

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 any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Joanne M. Scanlon

November 3, 2016

Date

Docket No. 4651 - National Grid – Arrearage Management Program Service List updated 11/1/16

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The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4651
In Re: Arrearage Management Program Provision
RIPUC No. 2130 and RIPUC NG-GAS No. 101
Responses to the Commission's First Set of Data Request
Issued October 7, 2016

Division 1-1

Request:

Regarding proposed tariff RIPUC No. 2171, the Arrearage Management Program Provision, at Section XII. Cost Recovery (Sheet 5 of 5), the tariff indicates the Arrearage Management Adjustment Factor (AMAF) is designed to recover incremental costs incurred associated with the AMP, including but not limited to the forgiven arrearages, and any costs incurred in the evaluation of, implementation of, and reporting on the results of the AMP. Please provide the statutory or regulatory authority for AMP cost recovery for costs other than forgiven arrearages

Response:

The Company is proposing recovery of arrears forgiven associated with the Arrearage Management Program (AMP) under R.I. Gen. Laws §§ 39-2-1(d)(2)(x) and 39-2-1(d)(2)(xiv). In addition, the Company is proposing recovery of incremental administrative costs for the implementation and operation of the AMP, as those costs will be incremental to those currently recovered through base distribution rates. Although this ratemaking treatment is not specifically provided for in R.I. Gen. Laws § 39-2-1(d)(2), such recovery is not prohibited. Moreover, it is consistent with the recovery of administrative costs associated with the LIHEAP Enhancement Plan pursuant to R.I. Gen. Laws § 39-1-27.12(e).

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4651
In Re: Arrearage Management Program Provision
RIPUC No. 2130 and RIPUC NG-GAS No. 101
Responses to the Commission's First Set of Data Request
Issued October 7, 2016

Division 1-2

Request:

Please refer to proposed RIPUC No. 2171, Section XII (i). Regarding the recovery of the forgiven arrearages for those customers who do not satisfy the conditions of the AMP, is it National Grid's position that the Company is entitled to recovery of those arrearages under the proposed AMAF even if the total amount of bad debt incurred for the year does not exceed the bad debt allowance granted in the last general rate case? If the answer is in the affirmative, please provide the rationale for seeking dollar-for-dollar recovery of these particular bad debts when the Company's actual total bad debt experience is below the bad debt allowance already included in rates.

Response:

Yes, it is National Grid's position that the Company is entitled to recovery of the arrearages forgiven for customers who do not satisfy the conditions of the AMP under the proposed AMAF even if the total amount of bad debt incurred for the year does not exceed the bad debt allowance granted in the last general rate case. The Company believes this position is consistent with the law, and that these amounts will be written off and fully recoverable by the Company through the AMAF in accordance with R.I. Gen. Laws § 39-2-1(d)(2)(x), which states as follows: "Failure to comply with the payment provisions set forth in this subsection shall be grounds for the customer to be removed from the repayment program established by this subsection and the balance due on the unpaid balance, shall be due and payable in full, in accordance with the rules of the commission governing the termination of residential electric, gas, and water utility service, provided, that any arrearage already forgiven under subsection (d)(2)(ii) of this section shall remain forgiven and be written off by the utility. The amount of the arrearage, so forgiven, shall be recovered by the electric and/or gas company through an annual reconciling factor approved by the commission".