

November 1, 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 PUC 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 Public Utilities Commission (PUC) in the above-referenced matter.

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 1, 2016
Date

**Docket No. 4651 - National Grid – Arrearage Management Program
Service List updated 10/20/16**

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The Narragansett Electric Company
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Issued October 7, 2016

PUC 1-1

Request:

For customers who are not required to pay anything toward their total unpaid balance to enroll, please indicate how the Company will determine the date of enrollment.

Response:

For customers who are not required to pay anything toward their unpaid balance to enroll in the Arrearage Management Program (AMP), the date of enrollment is the date on the customer's first bill that reflects the amount due under the Payment Plan and states that the customer is enrolled in the AMP.

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PUC 1-2

Request:

Assume a customer is not required to pay anything toward their arrearage to enroll. Assume further that the customer agrees to enroll and does not pay in the first month of the program but is not terminated and cannot be terminated as it is the moratorium. Will that customer be able to enroll when the moratorium ends? Why or why not?

Response:

A customer who has enrolled in the Arrearage Management Program (AMP) and does not make the first monthly payment under his or her Payment Plan will remain in the AMP when the moratorium ends so long as the customer has not missed two additional payments before the moratorium ends. Pursuant to the AMP, and as set forth in R.I. Gen. Laws § 39-2-1(d)(2), a customer may not miss more than two monthly payments in a 12-month Payment Plan, or else the customer will be in default and will be removed from the AMP. Customers who have completed the AMP or have been removed from the AMP are eligible to enroll in a subsequent AMP after two years from the date of completion or removal, upon recommendation from a CAP agency.

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PUC 1-3

Request:

What is the date of enrollment for a customer who is required to make a down payment toward their total unpaid balance in order to enroll in the program?

Response:

For customers who are required to make a down payment toward their total unpaid balance in order to enroll in the Arrearage Management Program (AMP), the date of enrollment is the date of the first bill that reflects the amount due under the Payment Plan and states that the customer is enrolled in the AMP.

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PUC 1-4

Request:

Why does the total unpaid balance include current charges?

Response:

Given that Payment Plans begin with the first bill issued to the customer in which the customer must pay the Payment Plan amount, the total unpaid balance will consist of the past due amount at the time of the first bill with current charges included in the AMP Payment Plan amount.

PUC 1-5

Request:

How will the Company coordinate with the Community Action Program agencies to validate customer eligibility?

Response:

The Company will coordinate with the Community Action Program (CAP) agencies in the following ways:

- i) Telephone – the CAP agency will call the Company to notify the Company of a customer's eligibility;
- ii) Email – the CAP agency will send an email to the National Grid Regulatory mailbox to notify the Company of a customer's eligibility; and/or
- iii) Electronic – the CAP agency will submit to the Company electronic eligibility files received from State of Rhode Island during the LIHEAP certification season (October - April).

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PUC 1-6

Request:

What does participation in the Company's Energy Efficiency program entail? How will the Company coordinate this with the customer? How will the Company enforce this provision?

Response:

A customer's participation in the Company's Energy Efficiency programs will be coordinated through the weatherization program at the Community Action Program (CAP) agencies. When applying for a Low Income Home Energy Assistance Program (LIHEAP) grant, the customer will need to indicate he or she would like to participate in the Company's Energy Efficiency programs in order to be eligible for the AMP. The CAP agencies will then notify the Company of the customer's agreement to enter into the Company's Energy Efficiency programs and the customer's eligibility to enroll in the AMP.

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PUC 1-7

Request:

How will the Company verify that the customer has applied for other available energy assistance programs such as fuel assistance and weatherization?

Response:

The Company will receive notification from the Community Action Program (CAP) agencies that the customer has applied for energy assistance programs prior to the Company enrolling the customer in the AMP.

PUC 1-8

Request:

How does the Company anticipate a customer's anticipated fuel assistance commitment?

Response:

The Company will receive notification from the Community Action Program (CAP) agencies as to the amount of assistance a customer will receive. Notification is provided through the following methods:

- i) Telephone – the CAP agency will call the Company to notify the Company of the customer's eligibility, including fuel assistance;
- ii) Email – the CAP agency will send an email to the National Grid Regulatory mailbox to notify the Company of the customer's eligibility, including fuel assistance; and/or
- iii) Electronic – the CAP agency will submit to the Company electronic eligibility files received from State of Rhode Island during the LIHEAP certification season (October - April).

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PUC 1-9

Request:

Please provide an outline of how the three-month reviews will occur together with how the Company will advise a participating customer of his/her responsibility to extend the AMP for a subsequent year, assuming the customer has a balance in excess of \$1500. Please include the following:

- a. In what months will the review occur?
- b. How and when will the customer be notified of any changes to his/her payment plan?
- c. When will the changed payment amount appear on the bill relative to the month in which the review occurred?
- d. How many reviews will actually occur within a program year?

Response:

Outline of review process

Month	System review of program amount	Bill message to customer regarding program amount
1	Start Program	Enrollment letter
2		
3	Review previous 12 months usage to determine average usage at premise for payment plan amount	
4		Bill message stating AMP amount changed (if necessary)
5		
6	Review previous 12 months usage to determine average usage at premise for payment amount	
7		Bill message stating AMP amount changed (if necessary)
8		
9	Review previous 12 months usage to determine average usage at premise for payment amount	
10		Bill message stating AMP amount changed (if necessary)
11		
12	12 month review to determine compliance with AMP	Letter sent to customer to remind to request extension of payment plan (if applicable)

PUC 1-9, page 2

- a. In what months will the review occur?

The reviews will occur at the end of months 3, 6 and 9 of the program year.

- b. How and when will the customer be notified of any changes to his/her payment plan?

A bill message will notify the customer that the review has taken place and whether there is a new amount.

The bill message will state as follows:

IMPORTANT: Your AMP installment amount has changed this month due to a fuel assistance commitment, a change in usage, a significant change in National Grid's rates, or a change of address.

- c. When will the changed payment amount appear on the bill relative to the month in which the review occurred?

The changed payment plan amount will appear on the bill in months 4, 7, and 10 of the program year.

- d. How many reviews will actually occur within a program year?

Three reviews to determine average monthly usage will occur during the program year. One final review will occur during month 12 to determine compliance with the AMP.

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PUC 1-10

Request:

Please provide an example of a participating customer's bill where (a) the customer has a beginning balance of \$1500 or less and (b) a customer has a beginning balance in excess of \$1500.

Response:

Please refer to Attachment PUC 1-10 for an example of the information that will be contained in the monthly bills of a participating customer with a beginning balance of \$1,500 or less and a beginning balance in excess of \$1,500.

Scenario 1: Outstanding Balance Greater than \$1,500

Assumed first date of bill issued to customer upon start of participation in the AMP:	January 12, 2017
Past due balance as of first date of bill upon start of participation in the AMP:	\$2,417.36
If past due balance is greater than \$1,500, then annual forgiveness in the AMP:	\$1,500.00
If past due balance is less than \$1,500, then annual forgiveness in the AMP:	n/a
Monthly amount forgiven:	\$125.00
Of the past due balance, is the outstanding balance older than 60 days greater than \$300?	Yes
Monthly payment plan payment installment amount (average monthly usage over last 12 months):	\$220.00

Date	Activity	Monthly Bill	Payment Due	Payment Received	Arrears Forgiven	Total Due on Account	Remaining Arrearage
	Previous Balance					\$2,417.36	
1/12/2017	Monthly Bill	\$177.28	\$220.00			\$2,594.64	\$2,417.36
	Previous Balance						
2/3/2017	Payment			(\$220.00)			
2/3/2017	AMP/Forgiveness				(\$125.00)		
2/12/2017	Monthly Bill	\$215.65	\$220.00			\$2,465.29	\$2,292.36
	Previous Balance						
3/10/2017	Payment			(\$220.00)			
3/10/2017	AMP/Forgiveness				(\$125.00)		
3/12/2017	Monthly Bill	\$137.72	\$220.00			\$2,258.01	\$2,167.36

Scenario 2: Outstanding Balance Less than \$1,500

Assumed first date of bill issued to customer upon start of participation in the AMP: January 12, 2017
Past due balance as of first date of bill upon start of participation in the AMP: \$1,200.00
If past due balance is greater than \$1,500, then annual forgiveness in the AMP: n/a
If past due balance is less than \$1,500, then annual forgiveness in the AMP: \$1,200.00
Monthly amount forgiven: \$100.00
Of the past due balance, is the outstanding balance older than 60 days greater than \$300? Yes
Monthly payment plan payment installment amount (average monthly usage over last 12 months): \$90.00

Date	Activity	Monthly Bill	Payment Due	Payment Received	Arrears Forgiven	Total Due on Account	Remaining Arrearage
	Previous Balance					\$1,200.00	
1/12/2017	Monthly Bill	\$110.58	\$90.00			\$1,310.58	\$1,200.00
	Previous Balance						
2/3/2017	Payment			(\$90.00)			
2/3/2017	AMP/Forgiveness				(\$100.00)		
2/12/2017	Monthly Bill	\$123.75	\$90.00			\$1,244.33	\$1,100.00
	Previous Balance						
3/10/2017	Payment			(\$90.00)			
3/10/2017	AMP/Forgiveness				(\$100.00)		
3/12/2017	Monthly Bill	\$137.72	\$90.00			\$1,192.05	\$1,000.00

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PUC 1-11

Request:

Please provide a copy of any documentation that the Company plans to provide to a customer upon enrollment to explain the program and the terms.

Response:

Please refer to Attachment PUC 1-11 for a copy of the Arrearage Management Program (AMP) enrollment letter that the Company plans to send to customers who enroll in the AMP.

[Letter Date]

Bill Account Number: [12345-67890]
Service Address: [Any Address]
[Anytown, RI 00000]

[Any Name]
[Any Address]
[Anytown, RI 00000]

ARREARAGE MANAGEMENT PROGRAM (AMP)

Dear Valued Customer:

This letter confirms your request to enroll in National Grid's Arrearage Management Program (AMP). The AMP is designed to assist qualified residential customers with their past due electric and gas bills and future electric or gas charges. The AMP also eliminates the possibility of service being terminated during the term of the customer's AMP payment plan.

Through the AMP, your account will be placed on a monthly payment plan, based on your average monthly usage for the previous year. Upon receipt of LIHEAP fuel assistance commitments, the required monthly payments may be reduced. Our records indicate that the monthly payment for this account will be **[\$amount]**. This amount must be paid by the due date printed on your National Grid bill. Note that the required monthly payment may change if your actual monthly usage differs significantly from estimated usage, if you receive any additional fuel assistance commitments subsequent to AMP enrollment, if you move to a new address with a different monthly usage for the previous year, or if National Grid's rates change significantly from the time of your enrollment.

The AMP has an arrearage forgiveness component, under which a portion of your past due account balance is forgiven each month. The amount of the monthly forgiveness component is calculated based on your account balance owed to National Grid at the time of your enrollment. A maximum of \$1,500 shall be forgiven in a 12-month period. **If the outstanding account balance is greater than \$1,500, the length of the agreement may, at your request at the end of the 12-month payment plan, be extended beyond the initial 12-month period to accommodate the total outstanding balance, provided that you are current with payments at the conclusion of the initial 12-month period.**

Based on your account balance at the time of enrollment, the amount of your arrearage to be forgiven is **[\$amount]**, so long as you are current with your payments. Upon receipt of each monthly payment, **[\$amount]** will be credited to your account. To remain current with the payments the following conditions must be met:

- You miss no more than 2 payments in the 12-month period covered by the payment plan (partial payments are considered missed payments); and
- The total amount due under the payment plan is paid in full by the conclusion of the 12-month period of the payment plan term.

If you default under your payment plan, you will be terminated from the AMP and your account will be returned to normal collection activity, including the possibility of service termination. Your account will be reviewed to determine whether you remain eligible to continue on the program and are eligible for continuing forgiveness installments.

Please contact National Grid at 1-888-211-1313 if you have any questions about your payment plan or your enrollment in the AMP Program.

Sincerely,

National Grid

PUC 1-12

Request:

Please provide a copy of documentation explaining changes to a customer's plan as a result of a three-month review.

Response:

The customer's monthly installment amount should be calculated as the average monthly bill less any actual or anticipated fuel assistance. The installment amount should be re-adjusted through the Company's billing system every three months. The new installment amount requires a re-calculation of the average monthly bill and a subtraction of any actual or anticipated fuel assistance. The installment amount is re-adjusted to minimize the account balance at the end of the customer's payment plan.

The bill message explaining the changes to a customer's plan as a result of the three-month review will state as follows:

IMPORTANT: Your AMP installment amount has changed this month due to a fuel assistance commitment, a change in usage, a significant change in National Grid's rates, or a change of address.

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PUC 1-13

Request:

Please provide a copy of documentation reminding a customer that they are eligible to extend the AMP for a second year and how they may do it.

Response:

Please see Attachment PUC 1-13 for a letter to customers reminding them that their 12-month Payment Plan is ending and to contact the Company to extend the plan for another 12 months.

2216 – RI

Completion letter – Balance

ARREARAGE MANAGEMENT PROGRAM COMPLETION – BALANCE

Dear Customer:

Congratulations and thank you! You have successfully completed a year on the National Grid Arrearage Management Program (AMP). We hope you found this program beneficial.

With the completion of your AMP payment plan, you are no longer on a payment plan and will be required to pay the full balance due on your current and future bills.

IMPORTANT NOTE: If the amount of your past due balance exceeded \$1,500 at the start of your AMP payment plan, you may request an extension of your payment plan for an additional 12-month period to accommodate the remaining past due balance. Please contact National Grid at 1-888-211-1313 by the due date of this bill if you would like to extend your payment plan under the AMP.

Once again, thank you for participating in the program!

Sincerely,

National Grid

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PUC 1-14

Request:

What happens if a customer is current with the AMP at the end of year one but does not extend the AMP for a second year, receives a regular bill in month 13, and calls the Company prior to the due date seeking to re-enroll? Can that customer re-enroll in month 13? If not, why not?

Response:

Yes, a customer who is current with his or her Arrearage Management Program (AMP) Payment Plan at the conclusion of the initial 12-month term and receives a regular bill in month 13 may request an additional 12-month Payment Plan under the AMP to accommodate the remaining past due account balance. To request such an extension, the customer must call the Company's Contact Center prior to the payment due date of the bill for month 13.

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PUC 1-15

Request:

Referencing the electric cost recovery tariff, when will the Company file to seek cost recovery?
What will the effective date of recovery be?

Response:

The Company intends to file cost recovery reconciliations that will cover the 12-month period ending March by the following August 1, with factors to take effect October 1. The Company anticipates that the first reconciliation will encompass less than 12 months of activity, and will prorate the allowance for bad debt so as to compare a partial year of Arrearage Management Program costs to a partial year of bad debt allowance in rates.