

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION**

**THE NARRAGANSETT ELECTRIC COMPANY                    :**  
**d/b/a NATIONAL GRID’S ARREARAGE                    :**           **DOCKET NO. 4651**  
**MANAGEMENT ADJUSTMENT FACTOR                   :**  
**FOR EFFECT JULY 1, 2018                                :**

**ORDER**

On May 15, 2018, The Narragansett Electric Company d/b/a National Grid (National Grid or Company) filed its Arrearage Management Adjustment Factor (Adjustment Factor) with the Public Utilities Commission (Commission or PUC) pursuant to R.I. Gen. Laws § 39-2-1(d) and RIPUC No. 2171 for effect July 1, 2018.<sup>1</sup> The Arrearage Management Adjustment Factor is designed to allow the Company to recover arrearages forgiven for those customers who participate in the Company’s Arrearage Management Program.<sup>2</sup> The arrearages eligible fall into two categories. For arrearages attributable to customers who default under the program, National Grid is authorized to recover all amounts forgiven. For those attributable to customers who successfully complete the Arrearage Management Program, however, the Company is authorized to recover only those amounts forgiven that exceed the adjusted bad debt allowance.<sup>3</sup>

In support of its filing, National Grid submitted the direct testimony and schedules of Robin E. Pieri, Senior Analyst for New England Electric Pricing in the Regulation and Pricing

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<sup>1</sup> National Grid’s 2018 Arrearage Management Adjustment Factor Filing (May 15, 2018) (Filing). [http://www.ripuc.org/eventsactions/docket/4651-NGrid-AMPAAdjustment-Filing\(5-15-18\).pdf](http://www.ripuc.org/eventsactions/docket/4651-NGrid-AMPAAdjustment-Filing(5-15-18).pdf). All filings in this docket are available at the PUC offices located at 89 Jefferson Boulevard, Warwick, Rhode Island or at <http://www.ripuc.org/eventsactions/docket/4651page.html>.

<sup>2</sup> Program participants enroll in a one-year payment plan, with a fixed monthly charge equal to the customer’s estimated average prior usage, as determined by National Grid. With each payment made over the course of the year, one-twelfth of the customer’s arrearage would be forgiven. Customers can earn up to \$1,500 of forgiveness in a year. If a customer’s outstanding balance is greater than \$1,500, the plan may be extended for an additional twelve-month period. Customers must remain current with payments or be subject to removal from the program, with all unpaid balances due and payable in full. R.I. Gen. Laws § 39-2-1(d).

<sup>3</sup> R.I. Gen. Laws § 39-2-1(d). *See also* PUC Order No. 22925 (Docket No. 4651) (Oct. 18, 2017).

Department of National Grid USA Service Company, Inc.<sup>4</sup> Ms. Pieri proposed an Adjustment Factor of \$0.00002/kWh for effect on July 1, 2018.<sup>5</sup> The proposed Adjustment is designed to recover a total of \$169,048 in arrearages forgiven for the twelve-month period ending December 31, 2017.<sup>6</sup>

According to Ms. Pieri, a total of \$126,694 in arrearages was forgiven during calendar year 2017 for customers who failed to successfully complete the Arrearage Management Program. Of that amount, \$104,552 was attributable to participants who defaulted from the program. An additional \$22,142 resulted from customers who voluntarily opted out of the Arrearage Management Program prior to successful completion.<sup>7</sup> For customers who successfully completed their payment plans, a total of \$42,354 in arrearages was forgiven in calendar year 2017. Ms. Pieri represented that the Company exceeded the adjusted allowable bad debt amount of \$10,902,954 by \$77,4444 in 2017. Accordingly, the entire \$42,354 amount of arrearages forgiven for successful participants was recoverable.<sup>8</sup>

To calculate the Arrearage Management Adjustment Factor, Ms. Pieri added the amount of unsuccessful arrearage forgiveness, \$126,694, to the recoverable amount for successful participants, \$42,354, for a total of \$169,048.<sup>9</sup> This amount was then divided by the forecasted deliveries for July 2018 through June 2019 of 7,259,876,855 kWh to result in the proposed Adjustment Factor of \$0.00002 per kWh.<sup>10</sup> Ms. Pieri reported that, for a typical residential

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<sup>4</sup> Test. of Robin E. Pieri at 1 (May 15, 2018).

<sup>5</sup> *Id.* at 2.

<sup>6</sup> Test. of Pieri at 4; Filing, Sch. REP-1 at 1.

<sup>7</sup> Filing, Sch. REP-1 at 1.

<sup>8</sup> Test. of Pieri at 7-8, Sched. REP-1 at 1. *See also* R.I. Gen. Laws § 39-2-1(d)(2)(xiv).

<sup>9</sup> Filing, Sch. REP-2 at 1.

<sup>10</sup> *Id.*

customer using 500 kWh per month, the Adjustment Factor would result in a monthly increase of \$0.01, or 0.0%.<sup>11</sup>

Finally, Ms. Pieri proposed a minor revision to the calculation of the adjusted allowable bad debt in Section XII of the Arrearage Management Plan Provision, RIPUC No. 2171, to include updates for the current calendar year with respect to Long Term Contracting Renewable Energy Recovery and Renewable Energy Growth related bad debt. According to Ms. Pieri, the Company's omission of these adjustments was unintentional and would result in an understatement of the bad debt allowance for the calendar year.<sup>12</sup>

On June 14, 2018, the Division of Public Utilities and Carriers (Division) filed a memorandum recommending approval of National Grid's proposed 2018 Arrearage Management Adjustment Factor of \$0.00002/kWh.<sup>13</sup>

At an Open Meeting held on June 28, 2018, based on the recommendation of the Division, the PUC voted unanimously to approve National Grid's proposed 2018 Arrearage Management Adjustment Factor Filing as filed.

Accordingly, it is hereby

(23215) ORDERED:

1. The Narragansett Electric Company d/b/a National Grid's proposed 2018 Arrearage Management Adjustment Factor of \$0.00002/kWh for effect on July 1, 2018 is approved.

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<sup>11</sup> Filing, Revised Sch. REP-3 at 1. On June 12, 2018, National Grid submitted a revised schedule REP-3 to correct a typographical error contained in the bill impact schedule which had no impact on the Company's Arrearage Management Adjustment Factor proposed in the initial filing. Letter of Robert Humm (June 12, 2018); [http://www.ripuc.org/eventsactions/docket/4651-NGrid-Rev-ScheduleREP3\\_6-12-18.pdf](http://www.ripuc.org/eventsactions/docket/4651-NGrid-Rev-ScheduleREP3_6-12-18.pdf).

<sup>12</sup> Test. of Robin E. Pieri at 8-9.

<sup>13</sup> Memorandum of the Division of Public Utilities and Carriers (June 14, 2018); [http://www.ripuc.org/eventsactions/docket/4699-DPU-Memo\(6-16-17\).pdf](http://www.ripuc.org/eventsactions/docket/4699-DPU-Memo(6-16-17).pdf).

2. The Narragansett Electric Company d/b/a/ National Grid's Arrearage Management Program Provision, RIPUC No. 2209 replacing, RIPUC No. 2171, is approved.

EFFECTIVE AT WARWICK, RHODE ISLAND ON JULY 1, 2018 PURSUANT TO AN OPEN MEETING DECISION ON JUNE 28, 2018. WRITTEN ORDER ISSUED JULY 18, 2018.

PUBLIC UTILITIES COMMISSION



*Margaret E. Curran*

Margaret E. Curran, Chairperson

*Marion S. Gold*

Marion S. Gold, Commissioner

*Abigail Anthony*

Abigail Anthony, Commissioner

**NOTICE OF RIGHT OF APPEAL:** Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within seven days from the date of the order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.