

National Grid 4-1

Request:

Mr. Colton's testimony, page 34, line 17, through page 35, line 2, states that National Grid offers more assistance to its gas low income customers than to its electric low income customers (excluding government-funded LIHEAP grants). Can you please identify the extra assistance that is available to National Grid's Rate 11 and 13 customers that is not available to Rate A-60 customers?

Response:

National Grid's Rate 11 and Rate 13 customers receive matching LIHEAP grants (gas only) (Isberg Direct, page 8). Low-income weatherization funded through base rates is provided only to gas customers. (Isberg Direct, page 8). While the LIHEAP Enhancement is provided to both natural gas and electric LIHEAP recipients (Isberg Direct, page 8), nearly all LIHEAP provided to National Grid customers is provided to natural gas customers. (Isberg Direct, page 9). Isberg testified that "Accounting for both forms of support, income-eligible electric customers received a total effective support of approximately 19 percent of total billings, while income-eligible gas customers received support totaling approximately 80 percent." (Isberg Direct, page 9). See generally, Schedule LFI-1, attached to Isberg Direct.

Prepared by Roger Colton

National Grid 4-2

Request:

Mr. Colton's testimony, page 55, lines 7-13, recommends that the determination of the low income discount be based, in part, on what a Rate A-60 customer who is with a non-regulated power producer (NPP) would have been billed for Standard Offer Service (SOS), ignoring what the customer was actually billed by the NPP. Why is it appropriate for all other customers to pay for the cost of the incremental discount if the NPP rate is less than the SOS rate and the Rate A-60 customer is already benefiting from going to the market? Why is it appropriate for the Rate A-60 customer to be harmed through a lower discount if the NPP rate is more than the SOS rate?

Response:

The current means of providing a discount is on the delivery component of the bill. Since the delivery component is identical between similarly situated customers, the total dollar amount of discount for similarly situated A-60 customers is the same as well (i.e., A-60 customers with identical usage receive identical total dollar discounts). The Division's proposal for the total bill discount attempts to mirror this result.

Specifically, by using the SOS service cost as the measure of the total bill discount, the same comparative result is obtained. That is, similarly situated customers would obtain exactly the same amount of discount, regardless of whether the customer has shopped for commodity or remained on SOS. The customer who has shopped neither receives a higher nor lower total dollar discount because of the shopping decision – whether good or bad. For that reason, it creates fairness among A-60 customers who are all struggling to make ends meet. From a public policy perspective, the Division believes that the amount of the discount should not be affected by the shopping decision.

This also is fair to other ratepayers, because the total amount of discount subsidized by other customers is not affected by the type of commodity service selected by individual customers. Experience counsels that many customers (including low-income program participants) can make ineffective shopping decisions when leaving standard offer service and obtaining supply from an NPP. Thus, using SOS as the measure of the discount avoids having other ratepayers subsidize bad shopping decisions at higher cost.

Prepared by Roger Colton

National Grid 4-3

Request:

Regarding implementation of the "A60 Adder" as described in Mr. Colton's testimony, at pages 56-64, how has the eligibility for Medicaid, General Public Assistance, and the Family Independence Program changed over the last five years?

Response:

Mr. Colton has not studied changes in the eligibility for the referenced programs over the last five years and, as a result, offers no opinions on how, if at all, the eligibility for such programs has changed in that time frame.

Prepared by Roger Colton

National Grid 4-4

Request:

Does Mr. Colton agree that the PUC should approve concurrent recovery, updated on an annual basis, of the low income discount credited to eligible customer accounts?

Response:

Yes, within the constraints explained in Mr. Colton's Direct Testimony.

Prepared by Roger Colton