

The Narragansett Electric Co. d/b/a National Grid—Application for Approval of a Change in Electric and Gas Base Distribution Rates (filed on November 27, 2017)

Docket 4770

Request for Information

Requesting Party: New Energy Rhode Island (NERI)
To: National Grid
Request No.: NERI-4
Date of Request: 3.2.18
Response Due Date: 3.23.18 (rolling by agreement)
Subject/Panel: Book 4—Isberg

1. How does the Company define “income-eligible” customers?

Response can be found on Bates page(s) 1.

2. How many income-eligible customers are in the Company’s service territory?

Response can be found on Bates page(s) 2.

3. How many customers are in the Company’s service territory who fall below 200% of the federal poverty line?

Response can be found on Bates page(s) 3.

4. Reference p. 7.

a. What processes are used to enroll customers onto the A-60 rate?

b. How many customers are enrolled on the A-60 rate?

c. How many customers qualify for the A-60 rate?

d. Geographically, where do customers who are eligible for the A-60 rate live?

Response can be found on Bates page(s) 4-6.

5. Reference p. 8. How is the Company planning to deal with potential elimination or reduction in federal LIHEAP funding?

Response can be found on Bates page(s) 7.

6. Reference p. 12. What are the electricity usage patterns for low-income customers? Please

provide the data in Excel format.

Response can be found on Bates page(s) 8.

7. p. 18, ll. 7-12. How does the Company currently engage with local government and not-for-profit community organizations to enroll customers on the low-income rate or in low-income programs? How will this change under the proposals in this proceeding?

Response can be found on Bates page(s) 9-10.

8. Reference p. 26.

- a. What outcome-based metrics will apply to the Home Energy Monitoring Demonstration Project?
- b. To what extent were stakeholders consulted in developing the project?
- c. Did the Company review similar projects conducted in other jurisdictions before developing this propose? Please explain.
- d. What specifically does the Company seek to demonstrate with the project?

Response can be found on Bates page(s) 11-12.

9. Reference p. 27.

- a. What outcome-based metrics will apply to the Customer Contact Personalization Project?
- b. Did the Company review similar projects conducted in other jurisdictions before developing this propose? Please explain.

Response can be found on Bates page(s) 13.

10. Reference p. 35.

- a. What outcome-based metrics will apply to the Energy Innovation Hub proposal?
- b. To what extent were stakeholders consulted in developing the project?
- c. Did the Company review similar projects conducted in other jurisdictions before developing this propose? Please explain.
- d. Please explain why the Company believes that a “bricks and mortar” approach of the Hub will work better than less expensive “virtual” efforts.

Response can be found on Bates page(s) 14-15.

NERI 4-1

Request:

Subject: Book 4—Isberg

How does the Company define “income-eligible” customers?

Response:

The Company defines ‘income-eligible’ customers as those customers receiving service through one of the Company’s low income rate tariffs – Low Income Rate (A-60) (Rate A-60) for electric customers, and Low Income Residential Non-Heating Rate 11 (Rate 11) and Low Income Residential Heating Rate 13 (Rate 13) for gas customers.

Eligibility for Rate A-60 is based on the customer of record being the head of household or the principal wage earner and must receive Supplemental Security Income from the Social Security Administration, or be eligible for Federal Low Income Heating Assistance Program (LIHEAP) support (itself a function of household size and income level relative to Area Median Income), or being eligible for one of the following from the appropriate Rhode Island agency: Medicaid, Food Stamps, General Public Assistance, or the Family Independence Program.

Eligibility for Rate 11 and Rate 13 is based upon verification of the customer’s participation in the low income home energy assistance program or its successor. The Company has proposed to revise the eligibility requirements for Rate 11 and Rate 13 to be the same as the eligibility requirements for Rate A-60.

To the extent that the Company is identifying or making reference to potential income-eligible customers, the Company is referring to customers receiving service on Rate A-60, Rate 11, or Rate 13.

NERI 4-2

Request:

Subject: Book 4—Isberg

How many income-eligible customers are in the Company's service territory?

Response:

During the twelve month period from July 2016 to June 2017, the Company averaged 34,060 electric accounts and 18,634 gas accounts receiving service on the Company's low income rate classes.

Since that time, these numbers have declined slightly. In the period from July 2017 to January 2018, the Company has averaged 30,591 electric accounts and 18,281 gas accounts, respectively, receiving service on the Company's low income rate classes.

As stated on Lines 6-8 of Page 24 in the Pre-Filed Direct Testimony of John F. Isberg (Bates Page 111 of Book 4), the Company believes that demographic and census data suggest that as many as 100,000 households in Rhode Island have income levels that would qualify them for the various forms of state and federal assistance, that, if the customer of record is the head of household or the principal wage earner and is the recipient of or eligible for the benefits provided by the programs listed in Narragansett Electric's Residential Low Income (A60) tariff (Rate A-60), it would make them eligible to receive service on Rate A-60.

NERI 4-3

Request:

Subject: Book 4—Isberg

How many customers are in the Company's service territory who fall below 200% of the federal poverty line?

Response:

Please see the Company's responses to Division 14-34 and Division 14-35 regarding its knowledge of customers' incomes.

The 2016 Federal Poverty Level Guidelines indicate that household income levels of \$23,670 (single-family households) to \$65,160 (six person households) would fall at or below 200 percent of federal poverty level.

An average household size of three people would imply an annual household income threshold of \$40,320 to fall below this standard. Based on this assumption, census data estimates report 133,000 households in Rhode Island have annual income levels below \$35,000. Given that not all households are customers of the Company (*e.g.*, households located in the boundaries of municipal utilities, residents of master-metered dwellings, and residents living in individually-metered dwellings where they are not responsible for their electric or gas bill), the Company estimates that there is the potential for 100,000 customers in its service territory whose income levels may fall below 200 percent of the federal poverty level.

NERI 4-4

Request:

Subject: Book 4—Isberg

Reference p. 7.

- a. What processes are used to enroll customers onto the A-60 rate?
- b. How many customers are enrolled on the A-60 rate?
- c. How many customers qualify for the A-60 rate?
- d. Geographically, where do customers who are eligible for the A-60 rate live?

Response:

- a. The vast majority of customers enrolling in the A-60 rate do so through their annual registration for LIHEAP support through the network of Rhode Island Community Action Agency (CAP) agencies. CAP agencies provide annual lists of customers who have received LIHEAP assistance for various forms of heat, such as oil, propane, or wood, to the Company. The Company uses these lists to ensure that customers who are eligible on the basis of LIHEAP receipt are enrolled in the A-60 rate.

Additionally, customers may demonstrate their eligibility for the A-60 rate by providing the Company with documentation of their receipt of benefits that would also make them eligible for the A-60 rate. Customers providing this documentation are also automatically enrolled in the A-60 tariff by the Company's Account Maintenance and Operations staff.

- b. There are currently 30,736 customers enrolled on the A-60 rate.
- c. The Company does not systematically collect, track, or maintain customer incomes, except to the extent that such documentation is necessary for determination of customer payment plans or to document eligibility for certain customer protection. Demographic and census data suggests, however, that as many as 100,000 households in Rhode Island have income levels that would qualify them for the various forms of state and federal assistance that, if the customer of record or the principal wage earner is the recipient of the benefits provided by these programs, would make them eligible for the Company's low-income electric rate.
- d. Please see Attachment NERI 4-4 for a geographic breakdown of active A-60 rate participants.

CITY	COUNT
PROVIDENCE	6647
PAWTUCKET	3081
CRANSTON	2829
WARWICK	2081
WOONSOCKET	1455
NORTH PROVIDENCE	1164
JOHNSTON	1163
WEST WARWICK	1014
CENTRAL FALLS	868
EAST PROVIDENCE	866
COVENTRY	840
WESTERLY	660
NORTH KINGSTOWN	609
CUMBERLAND	600
TIVERTON	580
RIVERSIDE	526
NEWPORT	513
BRISTOL	500
WARREN	444
WAKEFIELD	331
PORTSMOUTH	271
LINCOLN	245
NARRAGANSETT	230
ESMOND	192
MIDDLETOWN	190
RUMFORD	188
BARRINGTON	188
CHARLESTOWN	177
EAST GREENWICH	166
NORTH SMITHFIELD	146
GREENVILLE	133
HOPE VALLEY	123
MANVILLE	117
CHEPACHET	112
WEST GREENWICH	99
EXETER	99
GLOCESTER	98
BRADFORD	93
PEACE DALE	92
FOSTER	91
NORTH SCITUATE	86
L COMPTON	70
WEST KINGSTON	70
HOPE	66
ASHAWAY	66
MAPLEVILLE	65
SAUNDERSTOWN	48
BURRILLVILLE	47
JAMESTOWN	47
SCITUATE	43
WYOMING	32
SLATERSVILLE	31

SMITHFIELD	29
WOOD RIVER JT	28
HOPKINTON	24
GREENE	20
CAROLINA	19
GLENDALE	16
ALBION	16
SHANNOCK	16
KINGSTON	13
HARMONY	10
N SMITHFIELD	9
OAKLAND	8
FORESTDALE	7
ROCKVILLE	6
FISKEVILLE	6
CLAYVILLE	4
SLOCUM	4
PRUDENCE ISL	3
WATCH HILL	2
MISQUAMICUT	2
KENYON	2
Grand Total	30736

NERI 4-5

Request:

Subject: Book 4—Isberg

Reference p. 8. How is the Company planning to deal with potential elimination or reduction in federal LIHEAP funding?

Response:

LIHEAP was funded for the winter of 2017-2018, and LIHEAP money is being distributed to recipients this winter. LIHEAP funding levels are always subject to change. The Company's low income discount proposal is intended to provide a stable form of bill assistance to its electric and gas customers. If a change in LIHEAP funding should occur in the future, this would have varying impacts on the Company's electric and gas customers on the Company's low income rate classes, and the Company would expect to participate in discussions among stakeholders in determining options for addressing such funding changes.

NERI 4-6

Request:

Subject: Book 4—Isberg

Reference p. 12. What are the electricity usage patterns for low-income customers? Please provide the data in Excel format.

Response:

Given the lack of advanced metering functionality for residential customers in Rhode Island, the Company is not currently able to undertake any detailed analysis of electricity usage patterns by income-eligible customers.

A goal of the Home Energy Monitoring Demonstration project will be to provide low-income customers, and the Company, with access to these granular consumption patterns to support the Company's future efforts in developing new energy affordability programs and offerings for income-eligible customers.

NERI 4-7

Request:

Subject: Book 4—Isberg

p. 18, ll. 7-12. How does the Company currently engage with local government and not-for-profit community organizations to enroll customers on the low-income rate or in low-income programs? How will this change under the proposals in this proceeding?

Response:

The Company currently works directly with Rhode Island Community Assistance Program (CAP) agencies through the coordination of the collection of LIHEAP enrollment data to facilitate the automatic enrollment of customers who qualify for income-eligible electric and gas rates as a result of receiving LIHEAP funds.

More broadly, the Company also works directly with CAP agencies and other local income-eligible support organizations and advocacy groups to provide direct income-eligible customer assistance through regular, scheduled interactions with Company-employed Consumer Advocates. Consumer Advocates are charged with ensuring that customers are aware of, and participating in, those Company programs and offerings for which they are eligible, and supporting customers in managing the payment of their monthly utility bills and any accrued arrearages.

With the addition of three incremental Consumer Advocates dedicated to specific geographies within the Company's Rhode Island service territory, the Company believes it can expand and improve on this model in the following ways:

- Incremental resources can support expanded physical presence at these organizations, including a higher frequency of scheduled visits and a larger number of income-eligible customer interactions.
- Increased outreach to additional local social service agencies and organizations, providing additional channels through which to reach and support income-eligible customers.
- The establishment of an expanded number and increased geographic diversity of locations through which income-eligible customers will have the opportunity for face-to-face interactions with Consumer Advocates, particularly through the establishment of a rotating series of "pop-up" locations. The Company anticipates establishing these locations in geographies with relatively high concentrations of existing income-eligible

customers, as a tool to facilitate more convenient in-person interactions with Company representatives for customers who might otherwise find it challenging to interact with the Company through more standard means.

- The additional Consumer Advocates will directly address many of the comments raised at the public comment hearings by providing more opportunities for customers to have face to face interactions with the Company's Consumer Advocates.

NERI 4-8

Request:

Subject: Book 4—Isberg

Reference p. 26.

- a. What outcome-based metrics will apply to the Home Energy Monitoring Demonstration Project?
- b. To what extent were stakeholders consulted in developing the project?
- c. Did the Company review similar projects conducted in other jurisdictions before developing this propose? Please explain..
- d. What specifically does the Company seek to demonstrate with the project?

Response:

Reference p. 26.

- a. The Company will be evaluating the performance of income-eligible customers participating in the Home Energy Monitoring Demonstration Project on the following dimensions:

- Monthly weather-adjusted consumption reductions;
- Arrears and write-offs;
- Customer engagement and satisfaction; and
- Volume of calls to the Customer Contact Center.

Evaluations on the first two elements will be performed by comparing participating customers to a contemporaneous, similar control group, as well as to participating customers' historical reference points.

Evaluations on the third and fourth bullets will be performed on the basis of comparing participating customers to the same control group.

- b. The Company worked closely with a broad set of internal stakeholders in designing this demonstration project and developing the income-eligible customer use case and customer value proposition, including New Energy Solutions, Energy Efficiency and Strategy, Advanced Data Analytics, Customer Insights, Information Services, Marketing and Engagement, and the Customer Contact Center.

The Company also relied on insights and experience from its technology partner in this project, Sense Labs, to design the demonstration project.

Finally, the Company also used the findings from an initial focus group of approximately 20 Company employees who piloted the technology to understand and help inform the perceived value and home energy monitoring use cases to customers.

- c. Yes, the Company used the learnings of past initiatives, including a load study in the Company's New York affiliate's upstate New York service territory, in addition to customer learnings and insights gained from the Company's Massachusetts affiliate's Smart Grid pilot in Worcester, Massachusetts to understand the potential value in providing customers with real-time disaggregated load information.

The Company also used the findings from an initial focus group of approximately 20 Company employees living in Massachusetts and Rhode Island to understand and help inform the perceived value and use cases of this technology to customers.

- d. The Company hopes to test the hypothesis that, by engaging customers through this demonstration project, it can directly create benefits for these customers while also potentially achieving other key business objectives, including:
- Increasing customer satisfaction;
 - Providing more innovative bill management solutions to low and moderate income customers;
 - Reducing high bill call center volume;
 - Achieving energy efficiency targets and managing peak demand; and
 - Increasing on-time bill payments and reducing arrears.

NERI 4-9

Request:

Subject: Book 4—Isberg

Reference p. 27.

- a. What outcome-based metrics will apply to the Customer Contact Personalization Project?
- b. Did the Company review similar projects conducted in other jurisdictions before developing this propose? Please explain.

Response:

- a. The Company will evaluate the following metrics in reviewing the effectiveness of the Customer Contract Personalization Project:
 - Increased enrollment in targeted income-eligible programs;
 - Improved first-call resolution among participating customers relative to recent history;
 - Improved customer satisfaction relative to recent comparable metrics;
 - Reduced number of accounts in arrears and aggregate arrearage values among participating customers;
 - Reduced calls to contact center among targeted call types; and
 - Reduced repeat calls to Customer Contact Center among participating customers.
- b. No, the goal of the Customer Contact Personalization project is to determine if Customers Contact Center personalization tools will enhance the customer experience, and resulting outcomes, for participating customers. The Company is not aware of any other initiatives testing these impacts based on the specific measures and approaches contemplated in this project; however, the program has been jointly designed with the Company's technology partner based on that partners' use and application of propensity analytics and relevance in driving improved interactions between utilities and customers in other contexts.

NERI 4-10

Request:

Subject: Book 4—Isberg

Reference p. 35.

- a. What outcome-based metrics will apply to the Energy Innovation Hub proposal?
- b. To what extent were stakeholders consulted in developing the project?
- c. Did the Company review similar projects conducted in other jurisdictions before developing this propose? Please explain.
- d. Please explain why the Company believes that a “bricks and mortar” approach of the Hub will work better than less expensive “virtual” efforts.

Response:

- a. The following metrics are being tracked for the Energy Innovation Hub:
 1. Number of visitors
 2. Number of customers who sign up for
 - i. Energy efficiency assessment
 - ii. ConnectedSolutions
 3. Customer survey post-visit
 - i. Customer satisfaction with the content in the Energy Innovation Hub
 - ii. Level of information learned during the visit.
- b. The Company consulted multiple stakeholders in developing the project. The Company hosted the Office of Energy Resources, the Energy Efficiency Resources Management Council, the Division of Public Utilities and Carriers, and the Governor’s Office to the Company’s Massachusetts affiliate’s Worcester, Massachusetts Sustainability Hub to introduce the concept of a customer education center. Two presentations were conducted to the Rhode Island Energy Efficiency Collaborative. The Company met with the Office of Energy Resources to discuss the concepts for the Hub and included staff in review of exhibit content. The Company also presented the Energy Innovation Hub to the Energy Efficiency Resources Management Council. Additionally, the Company worked with CommerceRI to possibly align the Company’s proposed Hub with CommerceRI’s maker space.

- c. Yes. The Company reviewed the Company's Massachusetts affiliate's Sustainability Hub, in Worcester, Massachusetts. The Sustainability Hub provides information about the Worcester Smart Energy Solutions (Smart Grid) Pilot. The Sustainability Hub attracts customers who have questions about the Pilot or happen to be walking by and come in. The Company also reviewed the Energize Connecticut Center, in North Haven, Connecticut. Energize Connecticut is an initiative of the Connecticut Energy Efficiency Fund, the Connecticut Green Bank, the State of Connecticut, and Connecticut's local electric and gas utilities. This Center provides hands-on educational experiences for customers to learn about energy, energy efficiency, renewable energy, and a large convening space used for training or presentations. In addition, the Company reviewed the Pacific Gas & Electric Energy Center in San Francisco, California. This Center provides hands-on educational experiences for customers to learn about energy, energy efficiency, renewable energy, and a large convening space used for training or presentations.
- d. The Company believes that a "bricks and mortar" Hub provides for better community engagement than virtual efforts. The benefits of an in-person Hub versus virtual efforts include:
1. Ability to talk with customers face-to-face.
 2. Bring schools to the Hub to learn via hands-on experience.
 3. Host community events to create awareness.
 4. New type of utility engagement to demonstrate that the Company is an innovative business within the State and give customers confidence in their utility.
 5. Provides the ability to present multiple topics together in a visual and engaging experience. The culmination of all the topics presented in one space lends to advanced energy conversations to excel Rhode Island as a leader in energy efficiency and the clean energy future.