

December 5, 2018

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: The Narragansett Electric Company d/b/a National Grid, Tariff Advice Filing
to Amend Gas Tariff, RIPUC NG-GAS No. 101**

Dear Ms. Massaro:

Enclosed pursuant to Public Utilities Commission Rules 1.9(c) and (d) are 10 copies of National Grid's¹ filing to amend the following provisions of the Company's gas tariff, RIPUC NG-GAS No. 101:

- Section 1, General Terms and Conditions, Schedule A, Sheet 2, Item 3.0;
- Section 3, Distribution Adjustment Charge, Schedule A, Sheet 9, Item 3.9;
- Section 4, Residential Services (Low Income Residential Non-Heating Rate 11), Schedule B, Sheets 1-2, Items 1.0 and 11.0;
- Section 4, Residential Services (Low Income Residential Heating Rate 13), Schedule D, Sheets 1-2, Items 1.0 and 11.0;
- Section 5, Commercial and Industrial Services (Rate 60), Schedule G, Sheet 1, Item 2.0;
- Section 6, Non-Firm Transportation Service (Rate 61), Schedule A, Sheets 1-2, Item 2.0;
- Section 7, Miscellaneous Services (Residential Assistance Provision), Schedule C, Sheet 3, Item 2.1;

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

- Section 7, Miscellaneous Services (Arrearage Management Program Provision), Schedule C, Sheet 9, Item 3.0, subsection XI.ii.;
- Section 8, Service and Main Extension Policies (Policy 1), Schedule A, Sheets 2 and 4, Items 4 and 8; and
- Section 8, Service and Main Extension Policies (Policy 2), Schedule B, Sheet 2, Item 4.

The updated gas tariff provisions attached to this filing have been marked to show changes from the existing versions of the tariff provisions. **Attachment 1** to this filing contains the redlined version of the amended provisions to the gas tariff. **Attachment 2** contains the draft public notice of this filing.

National Grid is making several changes to its gas tariff. First, with respect to the Low Income Discount implemented through Docket No. 4770 (the 2017 Rate Case), the Company is amending any references in the Low Income Residential Non-Heating Rate 11 (Rate 11), Low Income Residential Heating Rate 13 (Rate 13), and Residential Assistance Provision provisions to the “Family Independence Program” to the “Rhode Island Works Program.” Second, the Company is revising the General Terms and Conditions to provide customers notice that the Company may contact customers for non-emergency reasons, and that customers may opt out of receiving such non-emergency communications by contacting the Company. Third, the Company is correcting language to the calculation of the customer charge for Non-Firm Sales Service Rate 60 (Rate 60) and Non-Firm Transportation Service Rate 61 (Rate 61). Fourth, the Company is making clean up revisions to the Arrearage Management Adjustment Provision and Service and Main Extension Policies 1 and 2. Fifth, the Company is proposing an effective date of January 15, 2019 for the amended tariff provisions. Finally, the Company is revising the revision number for the amended tariff provisions. The changes are described in more detail below.

Amendments to Low Income Rates 11 and 13 and Residential Assistance Provision

The 2017 Rate Case Amended Settlement Agreement approved by the PUC in Docket No. 4770 provides for a new Low Income Discount, which is described in the Low Income Discount sections for Rate 11, Rate 13, and the Residential Assistance Provision. For customers receiving delivery service on Rate 11 and Rate 13, a total bill discount of 25 percent shall be applied. For customers receiving benefits through Medicaid, General Public Assistance, and/or the Family Independence Program, an additional discount of five percent is applied off of the total amount billed. By this filing, any references to the “Family Independence Program” in the gas tariff have been replaced with the “Rhode Island Works Program or successor programs.”

The Company proposes this change because the Family Independence Program has been replaced by the Rhode Island Works Program. Specifically, through Title 40, Chapter 5.2 of the Rhode Island General Laws, the General Assembly changed the public assistance program

formerly known as the Family Independence Program to provide temporary financial assistance to eligible families with children while requiring the entry or reentry of the adult members of the family into the workplace with necessary supports as quickly as possible. R.I. Gen. Laws § 40-5.2-39 provides that “[a]ny references in the Rhode Island General Laws to the Family Independence Act, Family Independence Program, or Family Independence Program cash assistance or benefits shall be deemed to be applicable and shall be effective in accordance with the Rhode Island Works Program outlined in this chapter.” Accordingly, the Company is replacing any references in the gas tariff to the “Family Independence Program” with the “Rhode Island Works Program or successor programs.” The change is made in (1) the Rate 11 provision at Section 4, Schedule B, Sheets 1-2, Items 1.0 and 11.0; (2) the Rate 13 provision at Section 4, Schedule D, Sheets 1-2, Items 1.0 and 11.0; (3) the Low Income Bill Discounts section of the Residential Assistance Provision at Section 7, Schedule C, Sheet 3, Item 2.1; and (4) the Low Income Discount Recovery Factor section of the Distribution Adjustment Clause at Section 3, Schedule A, Sheet 9, Item 3.9. The Company is making the same change in the electric tariffs for the Low Income Rate A-60 tariff, RIPUC No. 2184; and the Residential Assistance Provision, RIPUC No. 2210.

Amendments to General Terms and Conditions

The Company proposes to add the following language to Section 1, Schedule A, Item 3.0 of the General Terms and Conditions: “By accepting distribution service from the Company pursuant to the terms of this tariff, a Customer expressly consents to the Company, or anyone working on the Company’s behalf, contacting the Customer regarding issues related to distribution service and billing and payment, by any method including telephone, autodialed and prerecorded/artificial voice calls, email, text message, and/or letter. By contacting the Company, a Customer may opt-out of receiving non-emergency communications through certain methods.” As explained earlier, this change provides customers notice that the Company may contact customers for non-emergency reasons, and that customers may opt out of receiving such non-emergency communications by contacting the Company. The Company is making the same change to the electric Terms and Conditions for Distribution Service, RIPUC No. 2196. Several of the Company’s affiliates are in the process of requesting approval to make similar changes to their respective tariffs.

Amendments to Rate 60 and Rate 61

The customer charge for customers on Rate 60 and Rate 61 is determined on an annual basis for three categories of customers: customers who can potentially consume more than 150,000 therms per year; customers who can potentially consume more than 35,000 therms but less than 150,000 therms per year, and customers who potentially consume less than 35,000 therms per year. The current Rate 60 and Rate 61 provisions, however, incorrectly reference the volume of therms as “per month” for those three categories, instead of “per year” as it should be. Thus, the Company is amending its gas tariff for Non-Firm Sales Service Rate 60 at Section 5, Schedule G, Sheet 1, Item 2.0 and Non-Firm Transportation Service Rate 61 at Section 6,

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Schedule A, Sheets 1-2, Item 2.0 to correct the volume of customers for each category of customers to be therms “per year,” not therms “per month.”

Amendments to Arrearage Management Adjustment Provision and Service and Main Extension Policies

The Company is making several clean up revisions to its gas tariff. First, the Company is deleting the word “commodity” from the Cost Recovery section of its Arrearage Management Adjustment Provision at Section 7, Schedule C, Sheet 9, Item 3.0, subsection XI.ii. The reference to “commodity” bad debt is duplicative to the reference to “Gas Cost Recovery” bad debt in the same sentence. Thus, the Company is deleting the duplicative reference to “commodity.”

Second, Service and Main Extension Policy 1 and Policy 2 refer to revenue from “Cost of Gas Recovery” factors being excluded from the Contribution in Aid of Construction calculation. The Company is revising the reference to “Cost of Gas Recovery” factors to its correct term, “Gas Cost Recovery” factors, in Section 8, Schedule A, Sheet 2, Item 4 and Section 8, Schedule B, Sheets 1-2, Item 4. Additionally, the Company has corrected a spacing issue between Items 8 and 9 in Section 8, Schedule A, Sheet 4.

Effective Date and Revision Numbers

The above-referenced amended gas tariff provisions are issued December 5, 2018 with a proposed effective date of January 15, 2019. Finally, the Company has updated the revision numbers of the above-referenced amended gas tariff provisions.

Thank you for your attention to this filing. Please contact me if you have any questions concerning this matter at 401-784-7415.

Very truly yours,



Robert J. Humm

Enclosures

cc: Cynthia Wilson-Frias, Esq.
Leo Wold, Esq.
Al Mancini, Division
John Bell, Division

THE NARRAGANSETT ELECTRIC COMPANY

d/b/a NATIONAL GRID

Rhode Island Public Utilities Commission Tariff

RIPUC NG-GAS No. 101

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC NG-GAS No. 101

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GENERAL TERMS AND CONDITIONS

1.0 APPLICABILITY:

The following terms and conditions shall apply to and be a part of each Rate Classification now or hereafter in effect except as they may be expressly modified or superseded by Rhode Island Public Utilities Commission order.

2.0 RATES AND TARIFFS:

The Company furnishes natural gas service under rates and/or special contracts (Schedule of Rates) promulgated in accordance with the provisions of the Rhode Island General Laws and the regulations of the Rhode Island Public Utilities Commission (“PUC”) and the Rhode Island Division of Public Utilities and Carriers (“Division”), all as may be in effect from time to time. Such Schedule of Rates, which includes these Terms and Conditions, is available for public inspection during normal business hours at the administrative offices of the Company and at the offices of the PUC and the Division or on the Company’s website.

The Schedule of Rates may be revised, amended, supplemented or supplanted in whole or in part from time to time according to the procedures provided in the General Laws and the PUC regulations. When effective, all such revisions, amendments, supplements or replacements will appropriately supersede the present Schedule of Rates. In case of conflict between these Terms and Conditions and any orders or regulations of the PUC or the Division, said orders or regulations shall govern.

The provisions of these Terms and Conditions apply on a non-discriminatory and non-preferential basis to all persons, partnerships, corporations or others (hereinafter Customers or the Customer) who obtain natural gas distribution service from the Company pursuant to the Schedule of Rates.

No representative of the Company has the authority to modify orally any provision or rate contained in the Schedule of Rates or to bind the Company to any promise or representation contrary thereto. Any such modification to the Schedule of Rates or these Terms and Conditions shall be in writing and made in accordance with the provisions of the General Laws and pursuant to regulations of the PUC and Division.

The Company will advise all new residential customers as to the least expensive rate available for the service based on the information in our records. Non-residential customers will be advised of the applicable rate based on a review of the available information in the existing records or as a result of a field inspection by the Company when the customer provides information which is inconsistent with Company records. The Customer is responsible for accurately describing its gas burning equipment and updating the Company as changes occur.

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A Customer is entitled to change its customer account from one rate classification to another upon written application to the Company; provided, however that the customer account's use complies with the conditions specified in the requested rate classification. Once an election to change rate classifications has been made by the Customer, the customer account must remain on that rate for a period of not less than twelve months. In cases where the Customer requests a rate reclassification, no rebate will be granted for service rendered during the period the customer account was served under the previous rate classification, except in instances where the previous rate classification was due to an error by the Company.

3.0 OBTAINING SERVICE FROM THE COMPANY:

The Company shall furnish service to applicants under the filed rates and in accordance with these Terms and Conditions and the rules and regulations of the PUC and the Division. The furnishing of service and acceptance by the Customer constitutes a contract under these provisions. The Company may require at least one person on behalf of all parties who will receive service to sign an application or contract. Application for gas service within the territory served by the Company will be received through any duly authorized representative of the Company. By accepting distribution service from the Company pursuant to the terms of this tariff, a Customer expressly consents to the Company, or anyone working on the Company's behalf, contacting the Customer regarding issues related to distribution service and billing and payment, by any method including telephone, autodialed and prerecorded/artificial voice calls, email, text messages, and/or letter. By contacting the Company, a Customer may opt-out of receiving non-emergency communications through certain methods.

The Company may accept oral or written application for residential service. Residential service may commence upon receipt by the Company of oral application, except that the Company reserves the right to require residential customers to show identification and proof of residency before commencing service. If residential service is commenced upon the receipt of oral application, then all residents at that address who have attained the age of majority may choose to execute a written application, thereby becoming parties to the contract. Non-residential service may commence upon oral application for an interim period pending the receipt of a duly executed written application and security deposit.

The Company reserves the right to refuse service, at any location, to an individual who is indebted to the Company for any service not in dispute before the Division, furnished to such individual at any location, or to such applicant or customer under another name. The Company will commence service if a reasonable payment plan for said indebtedness made in accordance with PUC and Division regulations is agreed to by the Customer and the Company. The Company reserves the right to refuse service to any non-residential applicant who has not paid a deposit as required by the Company.

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A Customer shall be and remains the customer of record and shall be liable for service taken until such time as the Customer requests termination of service and a final meter reading is recorded by the Company. The bill rendered by the Company based on such final meter reading shall be payable upon receipt. Such meter reading and final bill shall not be unduly delayed by the Company. In the event that the Customer of record fails to give notice of termination of service to the Company or fails to provide access to the meter, the customer of record shall continue to be liable for service taken until the Company either disconnects the meter or a new party becomes a customer of the Company by taking service at such service location. Failure to make application for service shall not relieve a party from the obligation to apply and/or pay for service previously used.

The Company shall undertake to furnish service to the Customer for use only for his/her own purposes and only on the premises occupied through ownership or lease by the Customer, except as provided below. In cases where the Customer is a condominium association or the owner or manager of a commercial or residential rental property with over six (6) units, the Customer may allocate the Company charges for gas service to other gas users on the premises through any reasonable means, including properly installed submetering. In such situations where the Customer is allocating the Company charges for service to others, the burden is on the Customer, when requested by the Company, to demonstrate that the allocated charges are no greater than the Customer's bill from the Company. When allocating such charges, the Customer may separately include reasonable administrative fees. Natural gas sold by the Company to authorized natural gas vehicle filling stations may be re-metered or submetered by the Customer for resale to another or others.

On an annual basis the Company may notify all customers that if they are the owners of property and their tenants move out, the owner must provide written notification in advance that he/she wants gas left on at that premises in his/her name. If the Company does not receive advance written notice, the service may be terminated, and the Company will not be liable for any damages to the premises resulting from the termination of gas service.

3.1 BILLING TERMINATION ("Soft-Off"):

Where a customer has requested termination of service and an estimated or actual final meter reading is recorded, and the account is not subject to a shut-off order or request, the Company may choose to utilize a Soft-Off termination.

In the event of a termination of an account for which there is no unbilled consumption, a landlord may initiate an application for service in the landlord's name at that premises by either oral or written request in accordance with Section 1, Schedule A, Paragraph 3.0 of this tariff; provided however, that in the event of a termination of an account for which there is

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any unbilled consumption, a landlord may initiate an application for service in the landlord's name only upon providing the Company with a signed authorization. In addition, where the landlord has previously provided the Company a signed agreement, the Company may record the landlord as the customer of record for that account without further authorization.

When gas consumption at a premises where a Soft Off termination has been implemented exceeds 13 ccf in a month the Company will send a notification to the premises indicating that service will be terminated pursuant to the PUC's and Division's rules and regulations governing the termination of service if an account is not established.

Once metered gas consumption at that premises exceeds an aggregate of 35 ccf or the account is still in a Soft-Off status for a consecutive period of 90 days, whichever occurs first, the Company will commence a termination action for the account, provided however that where such a termination action would affect the statutory and/or termination rights of other gas customers at that location, service will be terminated at the Soft Off premises as soon as the Company is able to accomplish the termination so as not to conflict with the rights provided under the PUC's and the Division's rules and regulations governing the termination of service for the other customers.

4.0 SECURITY DEPOSITS:

Security deposits, letters of credit or bonds may be required and taken in accordance with rules and procedures promulgated by the PUC or other body having authority to regulate the Company. The Company reserves the right to refuse service to an applicant who has not paid a deposit as required by the Company. The rate of interest paid on deposits shall be adjusted annually on March 1. The interest rate in effect in any year shall be based on the average rate over the prior calendar year for 10-year constant maturity Treasury Bonds as reported by the Federal Reserve Board.

5.0 SERVICE SUPPLIED:

The Company shall take reasonable care in providing regular and uninterrupted service to its firm customers, but whenever the Company deems that the situation warrants any interruption or limitation in the service to be rendered, such interruption or limitation shall not constitute a breach of the contract, and shall not render the Company liable for any damages suffered thereby by any person, or excuse the customer from further fulfillment of the contract.

The Company may refuse to supply service to loads of unusual characteristics which, in its sole judgment, might adversely affect the quality of service supplied to other customers, the public safety, or the safety of the Company's personnel. In lieu of such refusal, the Company

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may require a customer to install any necessary regulating and protective equipment in accordance with the requirements and specifications of the Company.

Whenever the estimated expenditures necessary to supply gas to a customer(s) or to resume service to a customer following relocation of Company equipment for reasons other than the needs of the Company shall be of such an amount that the income to be derived from gas service at the applicable rates will, in the opinion of the Company, be insufficient to warrant such expenditure, the Company will require the Customer(s) to pay a Contribution in Aid of Construction (“CIAC”) for meter relocation or for main and service extension. See Section 8, Service and Main Extension Policies. The level of the CIAC will be based on an economic analysis looking at appropriate impacts associated with the capital expenditures. A detailed written cost estimate will be provided to the Customer upon request.

The Company shall make application in a reasonable time for any necessary locations or other street permits required by public bodies for its pipes, mains, and other apparatus, and shall not be required to supply service until a reasonable time after such approvals are obtained. The applicant for service shall obtain all other permits, certificates, licenses, easements and the like necessary to give the Company access to the applicant’s equipment and to enable its pipes to be connected thereto.

The Customer shall notify the Company in writing before making any significant change in the Customer’s gas equipment which would affect the capacity or other characteristics of the Company’s facilities required to serve the Customer. The Customer shall be liable for any damage to the Company’s property caused by Customer’s additional or changed installation if made without prior notification to the Company.

All piping, equipment, and apparatus on the premises of the Customer, except meters, underground service pipe, and governors, shall be furnished and put in place by the Customer, and shall conform to the requirements and regulations of the Company, and the Company shall not be required to supply gas unless such piping, equipment, and apparatus at all times conform to the requirements and regulations of the State, City, and Town ordinances and laws and policies of the Company. The Company shall be under no obligation to make any inspection to ascertain whether the foregoing condition has been conformed with and shall be under no liability for any damages occasioned by any defect in such piping, equipment, or apparatus or other property on the premises.

If temporary service is rendered, the Customer shall pay the cost of service under the rate plus the cost of installing and removing all equipment and connections.

6.0 INSTALLATION OF METERS:

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The Company will furnish, install, connect, and maintain such meter(s) as are necessary for metering gas service for Company billing purposes.

All gas service to be provided under a single service classification to a customer in a building will be rendered through a single meter except in the instances described in (1) and (2) below:

- (1) The Company may elect to install more than one meter for gas service provided under a single service classification:
 - i. when the use of more than one meter is necessary to provide safe gas service;
 - ii. when the use of more than one meter is required by a municipal ordinance;
 - iii. when one meter cannot correctly measure the total gas service rendered;
 - iv. when the characteristics of gas service of the Customer are such that at the time the service line was installed there was no single meter commercially available to measure the gas service correctly;
 - v. when more than one meter is required in order to render proper and reliable gas service without interruption; or
 - vi. in other comparable circumstances where service cannot practically be rendered through a single meter.

Pursuant to (i) through (vi), when more than one meter is installed to measure the gas service of a single customer at a premise or building under a single service classification under the above listed circumstances, the registrations of the meters will be combined under one customer account and the bill computed as if all service had been rendered through a single meter.

- (2) At the Customer's written request and at the Customer's expense, the Company will install more than one meter for a building or premise under a single service classification, in which case the quantity of gas supplied through each meter will be measured separately and the bills for each computed separately under the appropriate service classification(s).

Gas service provided to commercial and industrial customers for use by emergency back-up natural gas generators of more than 12 kW shall be separately metered subject to the Company's technical determination that more than one meter is

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required to correctly measure the total gas service rendered. Should the Company determine that this service be separately metered, the Company will issue a separate bill pursuant to a rate schedule applicable for the usage on the separate meter. Otherwise, if so determined by the Company to be technically feasible, the Company shall allow gas usage for emergency back-up natural gas generators to be measured by the Customer's existing meter.

For residential gas services provided pursuant to prior tariff provisions that required that gas service for use by emergency back-up natural gas generators be separately metered and billed, when both meters are served under a single residential service classification, the registrations of the meters will be combined under one customer account and the bill computed as if all service had been rendered through a single meter. Should a residential customer request the removal of one of the meters, the Customer shall bear the cost of removing the meter and the cost of piping through the remaining meter. If the Company, at its sole discretion, decides to remove the additional meter, the Company will bear the cost of the removal of the meter and any piping cost.

7.0 BILLING AND READING OF METERS:

Bills are calculated and rendered on the basis of a customer account which shall have a unique identification number established for the billing of service provided through an individual meter, except for multiple metered customer accounts established pursuant to section (1) of Item 6.0 above, or aggregation pools established pursuant to the Company's Transportation Terms and Conditions, Section 6, Schedule C of the tariff. A single Customer may have more than one customer account.

All bills are due within 25 days from the date of the bill. A late payment charge shall accrue on non-residential bills after 25 days in accordance with regulations of the PUC and the Division.

Customers receiving bills may elect to receive their bill electronically. Customers electing to receive their bills electronically will receive a paperless billing credit as identified in Section 1, Schedule A, Item 12.0.

Whenever a check or draft presented for payment of service is not accepted by the institution on which it is written, the Customer shall be charged a returned check fee, as identified in Item 12.0, per check or draft written. Such returned check charge shall be waived for customers receiving gas service on low income rate classes Rate 11 and Rate 13.

The Customer shall be responsible for all charges for distribution and gas service furnished

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by the Company under the applicable rates as filed from time to time with the PUC, from the time service is commenced until it is terminated.

Annually in August, the Company will review the gas consumption of each non-residential firm customer account for the just ended September through August period to determine if any customer account qualifies for a different rate class. If any such customer account does qualify for a different rate class based on this billing information, then commencing with the September billing month, that customer account will be billed under that new rate class.

Properly authorized representatives of the Company shall have the right to access the Customer's premises at all reasonable times and intervals for the purpose of reading, installing, examining, repairing, replacing, or removing the Company's meters, meter reading devices, pipes, and other gas equipment and appliances, in accordance with the General Laws, public regulations, and Company policy in effect from time to time. The Customer shall be responsible for providing accessibility to the above metering and other equipment belonging to the Company.

Readings taken by an Automated Meter Reading ("AMR") technology will be considered actual readings for billing purposes.

The Company shall maintain the accuracy of all metering equipment installed pursuant hereto by regular testing and calibration in comparison to recognized standards and in accordance with PUC and Division regulations. A meter shall be deemed to be registering correctly if it appears from examination or test that it does not vary more than two percent (2%) from the standard approved by the Division.

In the event that the Company obtains inaccurate meter readings for any reason or in case any meter shall for any reason fail to register the full amount of gas supplied or the maximum demand of any customer account for any period of time, the amount of the bill of such customer account shall be estimated by the Company from available data. Such estimated bills shall be payable as rendered unless a customer disputes such estimate in accordance with procedures established by the Division.

The Company will notify the Customer whenever it obtains information indicating that gas is being diverted from the Customer's service or that the meter has been tampered with. The Customer will be held responsible to the Company for any leakage or other use of gas which may occur beyond the point of the meter installation.

Unless otherwise determined by the Company, all residential premises shall be equipped with a meter that employs AMR technology utilizing radio frequency transmitters to allow the

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Company to obtain meter readings remotely. However, residential customers may choose to “opt-out” by having their AMR meter replaced with a non-AMR meter.

Customers who choose to opt-out will be charged an initial fee, as identified in Item 12.0, for the removal of the existing AMR gas meter and the installation of the non-AMR gas meter.

Customers who choose to opt-out will also be charged a monthly meter reading fee for the non-AMR gas meter, as identified in Item 12.0. The meter reading fee is applicable to Customers who receive gas and electric service, or receive gas-only service, from the Company. The Company, at its option, may choose to read the non-AMR meter less frequently than once per month. In that case, or if the Company is unable for any reason to read the meter on the regularly scheduled monthly read date, the Company shall make a reasonable estimate of the consumption of gas during those months when the meter is not read, based on available data, and such estimated bills shall be payable as rendered.

A Customer will not be assessed the initial or monthly fee until after the Company has installed the non-AMR gas meter.

Any opt-out Customer who subsequently wishes to have an AMR gas meter re-installed will be charged a “re-installation fee” as identified in Item 12.0. The re-installation fee will be charged for the removal of the non-AMR gas meter and the installation of the AMR gas meter.

Any Customer electing re-installation will no longer be assessed the special monthly gas meter reading fee after the AMR meter has been re-installed.

8.0 DISCONTINUANCE OF SERVICE:

Subject to the applicable regulations of the PUC and the Division, the Company shall have the right to discontinue gas service to the Customer and to remove or disconnect its meters and piping for nonpayment of bills for gas service. The customer shall be responsible for paying the cost of reconnecting gas service if the service is disconnected for nonpayment of bills or an account restoration charge, as identified in Item 12.0, in the case of a turn-on after a shut-off for nonpayment of bills. Such account restoration charge shall be waived for Customers receiving service on low income rate classes Rate 11 and Rate 13.

The Company reserves the right to disconnect its service at any time without notice or to refuse to connect its service if, to its knowledge and in its judgment, the Customer’s installation has become or is unsafe, defective, or in violation of the Company’s policies or any ordinances, laws, codes, or regulations.

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In the event that any action by the Customer or others shall cause a condition in the premises occupied by any customer whereby life or property is endangered, the Company may discontinue service to said premises regardless of the number of occupants or tenants of said premises.

Whenever the Company shall have proof that any customer is diverting and/or stealing service, the Company may discontinue its service to such customer and remove the meter.

9.0 COMPANY INSTALLATION AND PROPERTY:

All meters, services, and other gas equipment owned by the Company shall be and will remain the property of the Company and no one other than an employee or authorized agent of the Company shall be permitted to remove, operate, or maintain such property. The Customer shall be responsible for all damage to, or loss of, such property unless occasioned by circumstances beyond the Customer's control. Such property shall be installed at points most convenient for the Company's access and service and in conformance with public regulations in force from time to time. The costs of relocating such property shall be borne by the Customer when done at the Customer's request, or for his convenience, or if necessary to remedy any violation of public law or regulation caused by the Customer.

The Company shall provide and maintain the necessary housing, fencing, barriers, and foundations for the protection of the equipment to be installed upon the Customer's premises. Such space, housing, fencing, barriers, and foundations shall be in conformity with applicable laws and regulations and subject to the Company's specifications and approval.

10.0 SUPPLY OF GAS:

The Company shall make every reasonable effort to maintain an uninterrupted supply of gas for all firm customers, but it shall not be liable for loss or damage caused by reason of any interruption or reduction of the supply, or by reason of any abnormal pressure or quality of the gas, whether as a result of accident, labor difficulties, condition of fuel supply, the actions of any public authority, failure to receive any gas for which in any manner it has contracted, the implementation in accordance with good utility practice of an emergency load reduction program by the Company or one with whom it has contracted for a supply of gas, or inability for any other reason beyond the Company's control to maintain normal pressure or quality, or uninterrupted and continuous service.

Whenever the integrity of the Company's system or the supply of gas is believed to be threatened by conditions on its system or upon the systems with which it is directly or indirectly interconnected, the Company may, in its sole judgment, curtail or interrupt gas service or reduce pressure and such action shall not be construed to constitute a default nor

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shall the Company be liable therefore in any respect. The Company will use reasonable efforts under the circumstances to overcome the cause of such curtailment, interruption, or reduction and to resume full performance.

The Company shall be excused from performing under the Schedule of Rates and shall not be liable in damages or otherwise if and to the extent that it shall be unable to do so or prevented from doing so by statute or regulation or by action of any court or public authority having or purporting to have jurisdiction in the premises; or by loss, diminution, or impairment of gas supply from its suppliers or the systems of others with which it is interconnected; or by reason of storm, flood, fire, earthquake, explosion, civil disturbance, labor dispute, act of God or public enemy, failure of any supplier to perform, restraint by any court or regulatory agency, or any other intervening cause, whether or not similar thereto; the Company shall use reasonable efforts under the circumstances to overcome such cause and to resume full performance.

The foregoing shall not alter the Company's liability under applicable legal standards for damages in the case of its negligent or intentionally wrongful conduct with respect to any act or failure to act by the Company.

11.0 COMPANY LIABILITY:

The Company shall not be liable for any loss or damage resulting from the use of gas or the presence of the Company's appliances and equipment on the Customer's premises unless such loss or damage results directly and solely from the Company's negligence.

The Company shall not, in any event except that of its own negligent acts or omissions, be liable to any party for any direct, consequential, indirect, or special damages, whether arising in tort, contract or otherwise, by reason of any services performed, or undertaken to be performed, or actions taken by the Company, or its agents or employees, under the Schedule of Rates or in accordance with or required by law, including, without limitation, termination of the customer's service.

The Customer assumes full responsibility for the proper use of gas furnished by the Company and for the condition, suitability, and safety of any and all equipment on the Customer's premises, or owned or controlled by the Customer which is not the Company's property. The Customer shall indemnify and save harmless the Company from and against any and all claims, expenses, legal fees, losses, suits, awards, or judgments for injuries to or deaths of persons or damage of any kind, whether to property or otherwise, arising directly or indirectly by reason of (1) the routine presence in or use of gas from pipes owned or controlled by the Customer; or (2) the failure of the Customer to perform any of his or her duties and obligations as set forth in the Schedule of Rates where such failure creates safety

GENERAL TERMS AND CONDITIONS

hazards; or (3) the Customer's improper use of gas or gas appliances. Except as otherwise provided by law, the Company shall be liable for damages claimed to have resulted from the Company's conduct of its business only when the Company, its employees, or agents have acted in a negligent or intentionally wrongful manner.

12.0 SCHEDULE OF ADMINISTRATIVE FEES AND CHARGES:

Account Restoration Charge:	\$96.00
Paperless Billing Credit:	\$0.37/bill/month
Return Check Charge:	\$8.00

Daily Metered Equipment Fee: A customer will be charged for the cost of equipment installed by the Company to provide FT-1 Distribution Service through wireless readings of the Company's meter pursuant to Section 7, Schedule C, Item 2.02.0. The initial lump sum charge is \$1,239.00

Daily Metered Data Plan Fee: A customer will be charged annually for the data plan associated with FT-1 Distribution Service pursuant to Section 7, Schedule C, Item 2.02.0. The annual data plan fee is \$17.00

AMR Opt-Out Fees:

<u>Removal of AMR Meter/Installation of Non-AMR Meter:</u>	\$74.00
<u>Monthly Meter Reading Fee:</u>	\$13.00
<u>Reinstallation of AMR Meter:</u>	\$74.00

DISTRIBUTION ADJUSTMENT CLAUSE

1.0 GENERAL

1.1 Purpose:

The purpose of the Distribution Adjustment Clause (“DAC”) is to establish procedures that allow the Company, subject to the jurisdiction of the PUC, to annually adjust its rates for firm sales and transportation in order to recover, credit, or reconcile the following:

- (1) the system pressure costs;
- (2) the difference between the approved AGT factor revenue collections and actual AGT factor revenue collections;
- (3) the costs of the Infrastructure, Safety, and Reliability Plan;
- (4) the amortization of the most recent ten years of Environmental Response costs;
- (5) Pension costs and Post-retirement Benefits Other than Pensions expenses;
- (6) to credit any Service Quality Performance penalties;
- (7) any over or under collections of revenue under the Revenue Decoupling mechanism;
- (8) the previous year DAC items;
- (9) any Earnings Sharing; and
- (10) any Residential Assistance costs.

Any costs recovered through the application of the Distribution Adjustment Charge shall be identified and explained fully in the annual Distribution Adjustment Charge filing.

1.2 Applicability:

The Distribution Adjustment Charge will be applied to sales and transportation volumes under each of the Company’s firm rate schedules.

The Company will make annual DAC filings and its annual Reconciliation filings based on actual costs and volumes available at the time of filing as well as forecasts of applicable costs and volumes through October of that year. With the exception of the Infrastructure, Safety and Reliability component described in Item 3.3.2, the Distribution Adjustment Charge shall become effective with consumption as of November 1 each year.

Unless otherwise notified by the PUC, the Company shall submit the Distribution Adjustment Charge filings no later than 90 days before they are scheduled to take effect, provided however that the Revenue Decoupling Adjustment component of the

DISTRIBUTION ADJUSTMENT CLAUSE

Distribution Adjustment Charge filing will be made July 1 annually. The Annual Reconciliation filing will be made by August 1 of each year.

2.0 DISTRIBUTION ADJUSTMENT CHARGE:

The Distribution Adjustment Charge will consist of an annual System Pressure factor, an Advanced Gas Technology factor, an Infrastructure, Safety, and Reliability factor, an Environmental Response Cost factor, a Pension Adjustment Mechanism factor, a Service Quality Performance factor, a Revenue Decoupling Adjustment factor, and a Reconciliation of deferred account balance factor, an Earnings Sharing Mechanism factor, a Low Income Discount Recovery Factor, and an Arrearage Management Adjustment Factor. The Distribution Adjustment Charge is calculated as follows:

$$DAC = SP + AGT + ISR + ERCF + PAF + SQP + RDA + AMAF + R + ESM + LIDRF$$

Where:

DAC	Distribution Adjustment Charge applicable to all firm throughput.
SP	System Pressure factor. See Item 3.1 for calculation.
AGT	Advanced Gas Technology factor. See Item 3.2 for calculation.
ISR	Infrastructure, Safety, and Reliability factor. See Item 3.3 for calculation.
ERCF	Environmental Response Cost Factor. See Item 3.4 for calculation.
PAF	Pension Adjustment Factor. See Item 3.5 for calculation.
SQP	Service Quality Performance Factor. See Item 3.6 for calculation.
RDA	Revenue Decoupling Adjustment factor. See Item 3.7 for calculation.
AMAF	Arrearage Management Adjustment Factor. See Item 3.8 for calculation.
LIDRF	Low Income Discount Recovery Factor. See Item 3.9 for calculation.
R	Reconciliation of deferred account balances as of October 31. See Item 4.0 for calculation.
ESM	Earnings Sharing Mechanism Factor. See Item 5.0 for calculation.

DISTRIBUTION ADJUSTMENT CLAUSE

The Distribution Adjustment Charge, excluding the RDA, shall be increased by the uncollectible expense percentage approved in the most recent general rate case.

3.0 DISTRIBUTION ADJUSTMENT CALCULATIONS

3.1 System Pressure Factor:

The System Pressure factor shall be computed in a manner that identifies and includes all fixed and variable gas supply costs required on an annual basis to maintain pressure within the Company’s distribution system and shall identify and consider all gas supply costs that are required to maintain pressure for all portions of the Company’s distribution system:

$$SP = \frac{GCSP \times SP\%}{Dt_T}$$

Where:

- SP System Pressure Amount.
- GCSP Forecasted Gas Costs associated with supply used to maintain system pressures, including both demand and commodity costs.
- SP% Percent of supply used to maintain system pressures, as established in the most recent general rate case or DAC proceeding.
- Dt_T Forecasted annual firm throughput.

3.2 AGT Factor:

The Advanced Gas Technology factor shall be determined annually, or as otherwise approved by the PUC, based on an estimate of AGT grants to be disbursed during the upcoming year, adjusted by any AGT grants from the prior year in excess of available funding or available funding in excess of AGT grants from the prior year, the total of which is the eligible AGT Costs to be approved for recovery by the PUC. The formula will be as follows:

$$AGT = \frac{AGT}{Dt_T}$$

DISTRIBUTION ADJUSTMENT CLAUSE

Where:

AGT AGT Factor

AGT AGT Costs

Dt_T Forecasted annual firm throughput in dekatherms

3.3 Infrastructure, Safety and Reliability Plan:

3.3.1 Gas Infrastructure, Safety, and Reliability Plan Filing:

In compliance with R.I.G.L. Section 39-1-27.7.1, no later than January 1 of each year, the Company shall submit to the PUC a Gas Infrastructure, Safety, and Reliability Plan (Gas ISR Plan) for the upcoming fiscal year (April to March) for review and approval within 90 days. The Gas ISR Plan shall include the upcoming fiscal year's forecasted capital investment on its gas distribution system infrastructure and may include any other costs relating to maintaining safety and reliability that have been mutually agreed upon by the Division and the Company.

3.3.2 Infrastructure, Safety and Reliability Factor:

Effective each April 1, the Company shall recover through a change in Distribution Adjustment Charge rates the Cumulative Revenue Requirement on the Adjusted Cumulative Non-growth Capital spending as approved by the PUC in the Company's annual gas infrastructure, safety, and reliability filings less the amount included in rate base for base rate purposes. For purposes of this section, non-growth capital shall exclude general plant (FERC Accts 389 through 399). The Cumulative Revenue Requirement shall mean the return and taxes on year-end Adjusted Cumulative Non-growth Capital Spending, at a rate equal to the pre-tax weighted average cost of capital as approved by the PUC in the most recent general rate case, plus the annual depreciation net of depreciation expense attributable to general plant that was approved by the PUC in the Company's most recent general rate case adjusted, if appropriate, by later proceedings related to capital, plus the annual municipal property tax recovery mechanism.

The Adjusted Cumulative Non-growth Capital Spending shall mean the cumulative actual non-growth capital investment recorded since the end of the Company's rate year in its most recent general rate case, reflecting any difference between Actual Non-Growth Investment and Forecasted Non-Growth Investment for any period during which Forecasted Non-Growth Investment has not been reconciled to Actual Non-Growth Investment including through the end of the Company's rate year in its

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last general rate case. Cumulative Revenue Requirements will reflect Adjusted Cumulative Non-Growth Capital Spending as defined above plus the associated retirements, cost of removal, accumulated depreciation, and accumulated deferred taxes.

All accumulated Gas ISR investments will be eligible for inclusion in rate base recovery through new rates set in the next general rate case.

The Company shall allocate the Cumulative Revenue Requirements to its rate classes based on the rate base allocation approved by the PUC in the Company’s most recent general rate case. Any other costs, including Operation and Maintenance expenses mutually agreed upon by the Division and the Company shall be allocated on a per unit basis.

3.3.3 Infrastructure, Safety and Reliability Factor: Reconciliation Mechanism:

The Company shall include an annual reconciliation mechanism associated with the ISR Factor designed to reconcile the actual Cumulative Revenue Requirements and any associated costs approved for recovery through this mechanism to the actual billed revenue for the prior fiscal year. As part of its annual DAC filing, the Company shall submit by August 1 a reconciliation factor (either positive or negative) related to the ISR Factor recoveries and actual Cumulative Revenue Requirements and any associated costs approved for recovery through this mechanism to take effect annually for the twelve months beginning November 1 each year.

3.4 Environmental Response Cost Factor (ERCF):

$$ERCF = \frac{\sum ERC_{Yr,x}}{10} - ERC_{EMB}$$

$$Dt_T$$

Where:

ERC Environmental Response Costs as defined in Section 1, Schedule B Definitions

$\sum ERC_{Yr,x}$ The sum of Environmental Response Costs, incurred in the most recent twelve month period ended March 31.

DISTRIBUTION ADJUSTMENT CLAUSE

ERC_{EMB} Environmental Response Costs funding embedded in base rates, \$1,310,000.

Dt_T Forecasted annual firm throughput

In order to limit the bill impacts that could potentially result from the incurrence of environmental remediation costs, the ERC factor, calculated as described above, shall be limited to an increase of no more than \$0.10 per dekatherm in any annual DAC filing. If this limitation results in the Company recovering less than the amount that would otherwise be eligible for recovery in a particular year, then beginning on the date that the proposed ERC factor becomes effective, carrying costs shall accrue to the Company on the portion of the environmental remediation costs not included in the ERC factor as a result of this limitation. Such carrying costs shall accrue through the year in which such amount, together with accumulated carrying costs, are recovered from ratepayers. Any amounts so deferred shall be incorporated into the ERC factor in succeeding years consistent with the \$0.10 per dekatherm ERC factor annual increase limitation. Such carrying charges shall accrue at the Interest on Deferred Balance rate specified in Section 1, Schedule B of the Company's Definition section above.

3.5 Pension Adjustment Factor:

The Pension Adjustment Factor shall recover or refund the prior fiscal year's reconciliation of the Company's actual Pension and Post-retirement Benefits Other Than Pension (PBOP) expenses to the Company's Pension and PBOP expense allowance included in distribution base rates, including interest at the rate of interest paid on customer deposits. The recoverable actual Pension and PBOP shall reflect expense recorded on the Company's books of account pursuant to the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 715, Compensation—Retirement Benefits, as amended in March 2017 in a FASB Accounting Standards Update (formerly Statement of Financial Accounting Standards ("SFAS") 87 and SFAS 106) associated with pension and PBOP. The PAF will be computed on an annual basis for the twelve months ended March 31 and will be based on the difference in the Company's actual Pension and PBOP expense for the prior twelve month period ended March 31 and the distribution base rate allowance, plus carrying charges at the weighted average cost of capital on the cumulative five quarter average underfunding of the Pension and PBOP Minimum Funding Obligation for the fiscal year ended March 31. The Minimum Funding Obligation will be equal to the amount of Pension and PBOP costs collected from customers during the fiscal year, plus the amounts of Pension and PBOP costs capitalized during the year. The amount collected from customers during the fiscal year would include (1) Pension and PBOP allowance included in base rates, and (2) amounts collected or

DISTRIBUTION ADJUSTMENT CLAUSE

refunded through the PAF. For the purpose of determining its Minimum Funding Obligation and the carrying costs that apply to that obligation, the Company shall be permitted to combine the funding of pensions and PBOPs, thereby offsetting, any deficiencies in PBOPs funding with any excess pension funding, or conversely offsetting any deficiencies in pension funding with any excess PBOP funding. The Company will be required to accrue and defer carrying charges on only the net unfunded pension/PBOP amount.

3.6 Service Quality Performance Factor:

The Service Quality Performance (SQP) Factor will be used for crediting to customers any penalties reflected in the Company’s annual Service Quality Report.

3.7 Revenue Decoupling Adjustment Factor:

The Revenue Decoupling Adjustment (RDA) Factor shall be a credit or surcharge determined for all Residential rate classes and Small and Medium C&I rate classes as the sum of the March 31 deferral ending balances for each rate class divided by the forecasted total annual firm throughput for those rate classes. The March deferral ending balance for each rate class shall result from the monthly calculation of the difference between the Target Revenue-per-Customer and the Actual Revenue-Per-Customer for each twelve months ending March 31. The deferral balance will be calculated as follows:

$$RDAF = \frac{\sum_{RC} (AEB_{M-1} + DIFF_M + INT_M)}{D_{TRC}}$$

Where:

RDAF Revenue Decoupling Adjustment Factor

\sum_{RC} The sum of the March 31 deferral ending balances for each of the following rate classes: Residential Non-heat (including Low Income Residential Non-heat), Residential Heat (including Low Income Residential Heat), Small C&I, and Medium C&I.

AEB_{M-1} Account Ending Balance for prior month

DIFF_M Current month Difference

DISTRIBUTION ADJUSTMENT CLAUSE

$$= (RPC_{TM} - RPC_{AM}) \times CUST_M$$

RPC_{TM} Target Revenue-per-Customer based on class specific revenue per customer targets established in the most recent general rate case. The target for Low-Income classes will reflect non-discounted revenue. Low-income class revenue and customers will be included with non-discounted revenue and customers for the purposes of setting the target.

RPC_{AM} Actual Revenue-per-Customer for current month calculated as actual base revenue divided by number of customers in the current month. Revenue for Low-Income classes will reflect non-discounted revenue.

$CUST_M$ Number of customers in current month

INT_M Interest on average monthly balance based on the Bank of America Prime minus 200 basis points.

Dt_{RC} Forecasted annual firm throughput for the following rate classes: Residential Non-heat (including Low Income Residential Non-heat), Residential Heat (including Low Income Residential Heat), Small C&I, and Medium C&I.

3.8 Arrearage Management Adjustment Factor (AMAF):

In compliance with R.I.G.L. §39-2-1(d)(2), the Company shall surcharge customers allowable amounts forgiven through the Arrearage Management Plan (AMP) over the prior calendar year as described in Section 7, Schedule C, Item 9.0 through the AMAF.

$$AMAF = \frac{AMPC}{Dt_T}$$

Where:

$AMPC$ Allowable arrearage management plan costs the Company may recover from firm customers in accordance with R.I.G.L. § 39-2-1(d)(2) and described in Section 7, Schedule C, Item 9.0.

DISTRIBUTION ADJUSTMENT CLAUSE

Dt_T Forecasted annual firm throughput

3.9 Low Income Discount Recovery Factor (LIDRF):

The Low Income Discount Recovery Factor shall be determined annually based upon the total amount of low income discount applied to eligible customer bills. The low income discount percentages are as follows:

- Residential Assistance Non-Heating, Rate 11: 25% with an additional 5% for a total of 30% for those customers receiving benefits through Medicaid, General Public Assistance, and/or [the Rhode Island Works Program \(formerly known as the Family Independence Program\)](#).
- Residential Assistance Heating, Rate 13: 25% with an additional 5% for a total discount of 30% for those customers receiving benefits through Medicaid, General Public Assistance, and/or the [Rhode Island Works Program](#)~~Family Independence Program~~.

$$\text{LIDRF} = \frac{\text{LIDC}}{\text{Dt}_T}$$

Where:

LIDC Annual low income discounts provided to eligible low income customers which the Company may recover from firm customers.

Dt_T Forecasted annual firm throughput excluding Rate 11 and Rate 13 forecasted annual throughput.

4.0 DEFERRED DISTRIBUTION ADJUSTMENT COST ACCOUNT:

The Distribution Adjustment Cost Account shall include annual reconciliation for the twelve month period for the revenues and costs for the System Pressure factor, Advanced Gas Technology factor, ISR factor, Environmental Response Costs factor, Pension Adjustment factor, SQP factor, RDA factor, ESM factor, AMAF, LIDRF and a Previous Reconciliation factor, including a true-up for any prior year’s forecasted revenues and costs. Base rate related items (Advanced Gas Technology factor, Pension Adjustment factor and Environmental Response Cost factor) will be reconciled only for those non-Revenue Decoupling rate classes (Large and Extra Large high load and low load factor rate classes). For each reconciliation component, a monthly rate based on a monthly rate of the current

DISTRIBUTION ADJUSTMENT CLAUSE

Bank of America prime interest rate less 200 basis points (2%), multiplied by the arithmetic average of the account’s beginning and ending balance shall also apply.

5.0 EARNINGS SHARING MECHANISM:

The Earnings Sharing Mechanism Credit (“ESMC”) for FY 18 will be included with the September 1 DAC filing based on financial information for the 12 month period ending March 31. All subsequent ESMC will be filed on May 1 and will reflect a 12 month period ending December 31. For purposes of calculating earnings to be shared, the Company will be allowed to include its 50% share of net merger synergies resulting from the National Grid/KeySpan transactions, or \$2,450,000. Calculation of the ESMC is as follows:

$$\text{ESMC} = \frac{\text{ESMF}}{\text{Dt}_T}$$

Where:

ESMF Earnings Sharing Mechanism Fund is defined as customers’ share of earnings subject to sharing and will be based on the return on equity authorized by the PUC in a general rate case or as otherwise authorized by the PUC. For FY 18, the annual earnings over 9.5% return on equity, up to and including 100 basis points, being shared 50% to customers and 50% to the Company. Any earnings more than 100 basis points in excess of 9.5% return on equity shall be shared 75% to customers and 25% to the Company. For all subsequent ESMC, the annual earnings over 9.275% return on equity, and up to and including 100 basis points (i.e., 10.275%), will be shared 50% to customers and 50% to the Company. Any earnings more than 100 basis points in excess of 9.275% return on equity (i.e., exceeding 10.275%) shall be shared 75% to customers and 25% to the Company. The Company’s share of any shared earnings will be retained by Company and not reflected in any earnings report.

Dt_T Forecasted annual firm throughput

LOW INCOME RESIDENTIAL NON-HEATING
RATE 11

1.0 AVAILABILITY:

Sales service is available under this rate for all domestic non-heating purposes in individual private residential dwellings with six (6) or fewer units or in connection with condominium associations with gas supplied through one meter. Eligible customers must meet both of the following criteria: .

1. Must be the head of a household or principal wage earner.
2. Must be presently receiving supplemental Security Income from the Social Security Administration, be eligible for the low-income home energy assistance program, or one of the following from the appropriate Rhode Island agencies: Medicaid, Food Stamps, General Public Assistance, or [the Rhode Island Works Program \(formerly known as the Family Independence Program\)](#) or [successor programs](#).

It is the responsibility of the customer to annually certify, by forms provided by the Company, the continued compliance with the foregoing provisions.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 RATES:

September 1, 2018

Customer Charge: \$14.00 per month
Distribution Charge: \$0.5456 per Therm

September 1, 2019

Customer Charge: \$14.00 per month
Distribution Charge: \$0.5922 per Therm

September 1, 2020

Customer Charge: \$14.00 per month
Distribution Charge: \$0.6162 per Therm

4.0 MINIMUM CHARGE:

Customer Charge per month.

LOW INCOME RESIDENTIAL NON-HEATING
RATE 11

5.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

6.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

7.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

8.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

9.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

10.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

11.0 LOW INCOME DISCOUNT:

The Customer's total bill for service as determined based upon the provisions above will be discounted by twenty-five (25) percent. Customers receiving benefits through the following programs will receive an additional discount of five (5) percent, totaling a total bill discount of thirty (30) percent: Medicaid, General Public Assistance, or [the Rhode Island Works Program or successor programs](#). ~~Family Independence Program.~~

LOW INCOME RESIDENTIAL HEATING
RATE 13

1.0 AVAILABILITY:

Sales service is available under this rate for all domestic purposes in individual private residential dwellings with six (6) or less units or in connection with condominium associations with gas supplied through one meter where natural gas is the primary fuel used for space and/or central heating equipment. Eligible customers must meet both of the following criteria:

1. Must be head of a household or principal wage earner.
2. Must be presently receiving Supplemental Security Income from the Social Security Administration, be eligible for the low-income home energy assistance program, or one of the following ~~from~~ the appropriate Rhode Island agencies: Medicaid, Food Stamps, General Public Assistance, or [the Rhode Island Works Program \(formerly known as the Family Independence Program\)](#) [or successor programs](#).

It is the responsibility of the customer to annually certify, by form provided by the Company, the continued compliance with the foregoing provisions.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 RATES:

September 1, 2018

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5534 per Therm
Off Peak Distribution Charge:	\$0.4960 per Therm

September 1, 2019

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5803 per Therm
Off Peak Distribution Charge:	\$0.5201 per Therm

September 1, 2020

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5943 per Therm
Off Peak Distribution Charge:	\$0.5327 per Therm

4.0 MINIMUM CHARGE:

Customer Charge per month.

LOW INCOME RESIDENTIAL HEATING
RATE 13

5.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

6.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

7.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

8.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

9.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

10.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

11.0 LOW INCOME DISCOUNT:

The Customer's total bill for service as determined based upon the provisions above will be discounted by twenty-five (25) percent. Customers receiving benefits through the following programs will receive an additional discount of five (5) percent, totaling a total bill discount of thirty (30) percent: Medicaid, General Public Assistance, or [the Rhode Island Works Program](#)~~Family Independence Program~~ or successor programs.

NON-FIRM SALES (NFS) SERVICE
RATE 60

1.0 AVAILABILITY:

Non-firm sales service is grandfathered as of July 1, 2009 and will no longer be offered to any customer, except that any non-firm sales customer as of that date will be able to continue the service until such time that the non-firm sales customer decides to change to firm service or obtain non-firm transportation service and purchase natural gas from a Marketer. Such customers are non-residential customers with dual-fuel capability: (1) whose premises are located adjacent to the Company's gas distribution mains having adequate capacity to supply the customer's prospective gas requirements in addition to the requirements of other customers already receiving service from such distribution mains; (2) who use gas for boiler load, process load, or cogeneration with a minimum combined hourly input of 100 Ccf/hour; and (3) who maintain adequate standby facilities for the use of an alternate fuel which may be substituted for gas when gas is not available under this Schedule.

2.0 RATES:

Non-firm Sales (NFS) service rates shall be set for the upcoming month, no later than 10:30 a.m. ten (10) business days prior to the commencement of that month. The Customer must notify the Company by 9:00 a.m. two (2) business days prior to the commencement of that month of the intention to take NFS service, and must provide a reasonable estimate of natural gas expected to be used for the month.

Customer Charges will be determined as follows:

1. For those Customers who can potentially consume more than 150,000 Therms per monthyear:
- \$625 per month, per customer
2. For those Customers who can potentially consume more than 35,000 Therms, but less than 150,000 Therms per monthyear:
- \$405 per month, per customer
3. For those Customers whose potential monthly consumption is less than 35,000 Therms per monthyear:
- \$185 per month, per customer

NON-FIRM SALES (NFS) SERVICE
RATE 60

The Distribution Charge applicable to all gas delivered to a NFS service customer shall be based on the Customer's annual usage in accordance with the following:

$\leq 35,000$ therms	\$0.2236 per therm
35,001 to 150,000 therms and:	
Off-peak usage $\leq 31\%$	\$0.2177 per therm
Off-peak usage $> 31\%$	\$0.1456 per therm
> 150,000 therms and:	
Off-peak usage $\leq 31\%$	\$0.0919 per therm
Off-peak usage $> 31\%$	\$0.0738 per therm

The reference to 31% is the percentage of gas usage from May through October compared to annual usage from September through August. In the case of an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer. The classification will be based on the higher of the most recent 12-months usage or the 12-months previous to that. This classification will be reviewed annually after the August billing period and any change will be reflected with the September bill.

The Company will provide the Customer with an initial mid-month estimate of the commodity charge based on 110% of the sum of the NYMEX closing price on the eleventh business day prior to the start of the month and a publicly available forward basis for gas supply delivered to the Northeastern US. The forward basis will be the Transco Zone 6 Basis Swap (based on the Platts IFERC basis swap obtained from the NYMEX), or a publicly traded forward basis for supply delivered to the Company's city gate (should one become available), or such other publicly available traded basis for supply delivered to the Northeastern U.S. should the Transco Zone 6 Basis Swap become unavailable. The Company will recalculate the commodity charge based upon the NYMEX settled price and a publicly available forward basis for gas supply delivered to the Northeastern US. The Customer shall be charged the higher of the recalculated rate or the initial mid-month estimate.

3.0 MINIMUM CHARGE:

For delivery service, the minimum charge is the Customer Charge per month. Under no circumstances shall the NFS Commodity Charge be less than the cost of the incremental supply available to the Company for the month, adjusted for the Company's Fuel Allowance.

NON-FIRM SALES (NFS) SERVICE
RATE 60

4.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

5.0 NOTIFICATION OF INTERRUPTION/CURTAILMENT:

The Customer will curtail or discontinue service when, in the sole opinion of the Company, such curtailment or interruption is necessary in order for the Company to continue to supply the gas requirements of its firm customers at such time. The Company will attempt to give the Customer three (3) working days' notice of such curtailment, except in emergency situations, when at least one hour's notice shall be given.

6.0 FAILURE TO CURTAIL:

For any period that the Customer fails to curtail the use of gas as requested by the Company, the charge for gas commodity delivered to the Customer will be equal to the Gas Usage at a penalty of five (5) times the Daily Index. Such use of gas under these circumstances shall be considered an "unauthorized use" of gas.

In the event where the Company, in its sole discretion, grants the Customer an exemption from the curtailment, the use of gas under these circumstances shall be referred to as an "authorized use of gas." Authorized use of gas during a curtailment will be for a limited time period. The charge for gas commodity delivered to the Customer under these conditions will be the highest cost gas required to meet demand during the applicable curtailment period. Payments for this use, whether authorized or unauthorized, shall not preclude the Company from turning off the Customer's supply of gas in the event of the failure to interrupt, or curtail, the use thereof when requested to do so.

All gas delivered to the Customer during a curtailment, either "unauthorized" or "authorized," shall be subject to the Distribution Charges and Energy Efficiency Program Charge in effect at the time of such Gas Usage.

7.0 METER TEST:

Customers will receive the results of periodic calibration tests performed by the Company on the meters installed on their premises. Meters will be deemed unacceptable if these tests show an error greater than +/-1%. Meters will also be deemed unacceptable, no matter what their error, if the results of three successive tests are consistently high or low. Meters will measure gas flow rates corrected to 60° F gas.

NON-FIRM SALES (NFS) SERVICE
RATE 60

8.0 TELEMETERING:

Wireless communications or telemetering equipment is required for those customers who wish to avail themselves of this service, as identified in Section 1, Schedule A, Item 12.0.

9.0 NON-FIRM TRANSPORTATION SERVICE OPTION:

The Company will also offer, during the winter months, limited NFS and non-firm transportation (NFT) service for customers on a “best efforts” basis. If a Customer buying gas under this rate schedule opts to directly arrange for the acquisition of wellhead gas supplies, and the transportation of those wellhead gas supplies to the Company’s gate stations, then the Company will transport, subject to available capacity, such directly acquired gas to the Customer’s facilities. Rates and conditions for such transportation service are included in the Company’s Non-Firm Transportation (NFT) Service in Section 6, Schedule A of RIPUC NG 101.

10.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

11.0 ENERGY EFFICIENCY:

The application of the above rate to all gas delivered is subject to Energy Efficiency provisions in Section 1, Schedule C.

12.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

13.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is not subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

14.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is not subject to the Distribution Adjustment Clause in Section 3, Schedule A.

NON-FIRM TRANSPORTATION (NFT) SERVICE
RATE 61

1.0 AVAILABILITY:

For any non-residential customer with dual-fuel capability: (1) whose premises are located adjacent to the Company's gas distribution mains having adequate capacity to supply the Customer's prospective gas requirements in addition to the requirements of other customers already receiving service from such distribution mains; (2) who uses gas for boiler load, process load, or cogeneration with a minimum combined hourly input of 100 Ccf/hour; and (3) who maintains adequate standby facilities for the use of an alternate fuel which may be substituted for gas when gas transportation is not available under this Schedule.

This rate is available to any Customer who has, without the assistance of the Company or the use of its facilities or dedicated pipeline capacity, arranged for the acquisition and transportation of gas supplies to the Company's gate stations, has executed a Transportation Service Application, has designated on such Application a Marketer as required under the Transportation Terms and Conditions in Section 6, Schedule C, and who meets the following additional criteria:

- A. The Customer must have telemetering equipment in place.
- B. The Customer agrees to discontinue service, when in the sole discretion of the Company, such discontinuance is necessary in order to continue to serve the needs of firm customers at such time. The Company will attempt to give three (3) working days' notice of such action except in the event of emergency, when at least one hour's notice will be given.

Any gas consumed during a requested discontinuance, whether authorized or unauthorized, shall be provided by the Company and not a third party supplier or Marketer of record.

2.0 RATE:

The Customer must notify the Company by 9:00 a.m. two (2) business days prior to the commencement of that month of any change in gas marketer.

Customer Charge will be determined as follows:

- 1. For those Customers who can potentially consume more than 150,000 Therms per ~~month~~year:
- \$625 per month, per customer.

NON-FIRM TRANSPORTATION (NFT) SERVICE

RATE 61

2. For those Customers who can potentially consume more than 35,000 Therms, but less than 150,000 Therms per monthyear:

- \$405 per month, per customer

3. For those Customers whose potential monthly consumption is less than 35,000 Therms per monthyear:

- \$185 per month, per customer

Distribution Charge:

The Distribution Charge applicable to all gas delivered to a NFT service Customer shall be based on the Customer's annual usage in accordance with the following:

≤ 35,000 therms	\$0.2236 per therm
35,001 to 150,000 therms and:	
Off-peak usage ≤ 31%	\$0.2177 per therm
Off-peak usage > 31%	\$0.1456 per therm
> 150,000 therms and:	
Off-peak usage ≤ 31%	\$0.0919 per therm
Off-peak usage > 31%	\$0.0738 per therm

The reference to 31% is the percentage of gas usage from May through October compared to annual usage from September through August. In the case of a New Customer, or an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer. The classification will be based on the higher of the most recent 12-months usage or the 12-months previous to that. This classification will be reviewed annually after the August billing period and any change will be reflected with the September bill.

3.0 MINIMUM CHARGE:

For delivery service, the minimum charge is the Customer Charge per month.

4.0 TRANSPORTATION TERMS AND CONDITIONS:

The Company's Transportation Terms and Conditions, Section 6, Schedule C, as in effect from time to time and where not inconsistent with any provisions hereof, are a part of this Schedule.

NON-FIRM TRANSPORTATION (NFT) SERVICE
RATE 61

5.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any provisions hereof, are a part of this Schedule.

6.0 TELEMETERING EQUIPMENT:

Telemetering equipment is required. The customer may have access to the telemetering equipment for data gathering and transmission, as identified in Section 1, Schedule A, Item 12.0.

7.0 NFT CUSTOMER USE OF GAS:

A NFT customer that elects to use gas from the Company for any reason shall receive Default Transportation Service and be charged the rate applicable to such service as set forth in the Transportation Terms and Conditions, Section 6, Schedule C, Item 2.04, for the first month of service and shall pay the Non-Firm unauthorized use rate as forth in the Transportation Terms and Conditions, Section 6, Schedule C, Item 1.05, for all additional months.

8.0 NOTIFICATION OF INTERRUPTION/CURTAILMENT:

The Customer will curtail or discontinue service when, in the sole opinion of the Company, such curtailment or interruption is necessary in order for it to continue to supply the gas requirements of its firm customers at such time. The Company will attempt to give the Customer three (3) working days' notice of such curtailment, except in emergency situations, when at least one hour's notice shall be given.

9.0 FAILURE TO CURTAIL:

For any period that a Customer fails to curtail the use of gas as requested by the Company, the charge for gas commodity delivered to the Customer will be equal to the Gas Usage at a penalty of five (5) times the Daily Index. Such use of gas under these circumstances shall be considered an "unauthorized use" of gas.

In the event where the Company, in its sole discretion, grants the Customer an exemption from the curtailment, the use of gas under these circumstances shall be referred to as an "authorized use of gas." Authorized use of gas during a curtailment will be for a limited time period. The charge for gas commodity delivered to the Customer under these conditions will be the highest cost gas required to meet demand during the applicable curtailment period. Payments for this use, whether authorized or unauthorized, shall not preclude the Company

NON-FIRM TRANSPORTATION (NFT) SERVICE

RATE 61

from turning off the Customer's supply of gas in the event of the failure to interrupt, or curtail, the use thereof when requested to do so.

All gas delivered to the Customer during a curtailment, either "unauthorized" or "authorized", shall be subject to the Distribution Charges and Energy Efficiency Program Charge in effect at the time of such Gas Usage.

10.0 GAS BALANCING NOMINATION/AGGREGATION:

Refer to the Transportation Terms and Conditions, Section 6, Schedule C.

11.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

12.0 ENERGY EFFICIENCY:

The application of the above rate to all gas delivered is subject to Energy Efficiency provisions in Section 1, Schedule C.

13.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

14.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is not subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

15.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is not subject to the Distribution Adjustment Clause in Section 3, Schedule A.

OTHER MISCELLANEOUS CHARGES

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM PLAN ENHANCEMENT CHARGE

1.0 LOW INCOME HOME ENERGY ASSISTANCE PLAN (LIHEAP) ENHANCEMENT CHARGE:

In accordance with R.I.G.L. § 39-1-27.12, the Company shall bill monthly to all customers a Low Income Home Energy Assistance Plan enhancement charge (“LIHEAP Charge”) approved by the PUC, provided however that the annual charge shall not exceed \$10 per customer, per year. For purposes of this section a “customer” is defined as any person taking service at a single point of gas delivery or gas meter.

The monthly rate for the LIHEAP Charge is \$0.81 per customer and shall appear as a separate line item on a customer’s bill.

1.1 LIHEAP Enhancement Fund:

The Company shall establish a LIHEAP Enhancement fund that shall be used to account for the combined funds collected through the LIHEAP Charge from both gas and electric service customers. The Rhode Island Department of Human Services (“DHS”) shall designate to the Company the qualifying customer accounts and the amounts to be credited from the LIHEAP Enhancement fund. The cumulative amount of credits applied to customer bills will be limited to an amount no greater than the cumulative aggregate projected LIHEAP Charges billed through the end of the current calendar year. Once the aggregate credits applied to customer bills equals the aggregate projected LIHEAP Charges billed through the end of the current calendar year, including interest as defined below, the application of the LIHEAP Enhancement credits would cease. Any difference in aggregate cumulative actual LIHEAP Charges billed and aggregate cumulative credits applied to customer bills, will accrue interest at the customer deposit interest rate.

The projected annual revenue in the LIHEAP Enhancement fund billed through the gas and electric service LIHEAP Charges shall not exceed seven million five hundred thousand dollars (\$7,500,000) and shall not be less than six million five hundred thousand dollars (\$6,500,000).

Beginning on September 1, 2016 and monthly thereafter between April 15 and September 30 of each year, the Company will set aside a minimum of 5 percent of the funds billed through the LIHEAP Charge, to be allocated to provide assistance to customers seeking LIHEAP certification for the sole purpose of entering into the Arrearage Management Program (“AMP”) as described in R.I.G.L. § 39-2-1(d)(2). This fund is designated for homeless families or individuals who are transitioning from a shelter into housing who provide

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**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM PLAN ENHANCEMENT
CHARGE**

acceptable documentation to DHS. Remaining funds available after September 30 of each year will be eligible for use in the upcoming winter season.

1.2 LIHEAP Eligible Customer:

For purposes of receiving funds from the LIHEAP Enhancement fund in subpart 7.1 above, a qualifying LIHEAP eligible customer shall be a household with a combined gross income equal to or less than 60 percent of the state median household income as calculated by the U.S. Bureau of Census and as adjusted for family or group size by the U.S. Department of Health and Human Services regulation 45 CFR § 96.85 or its successor regulation.

OTHER MISCELLANEOUS CHARGES

2.0 RESIDENTIAL ASSISTANCE PROVISION

The DAC contained in all of the Company's firm rate classes except for the Low Income Rates 11 and 13 shall include a Low Income Discount Recovery Factor ("LIDRF") to recover the cost of bill discounts provided to customers receiving service on Rates 11 and 13. In addition, the DAC contained in all of the Company's firm rate classes shall include an Arrearage Management Adjustment Factor ("AMAF") to recover the cost associated with the operation of the Arrearage Management Program ("AMP").

2.1 LOW INCOME BILL DISCOUNTS

On an annual basis, the Company shall estimate the discount to be provided to Rates 11 and 13 customers. The estimated discount will be twenty-five (25) percent of the forecasted Rates 11 and 13 annual billing units multiplied by the Rates 11 and 13 customer charge and the sum of the Base Distribution Charges, the Distribution Adjustment Charges, the Energy Efficiency Charges, and the Gas Charges in effect during the period. For those customers who are receiving benefits through Medicaid, General Public Assistance, and/or the [Rhode Island Works Program \(formerly known as the Family Independence Program\) or successor programs](#), the estimated discount will be an additional five (5) percent for a total discount of thirty (30) percent of the forecasted Rates 11 and 13 annual billing units multiplied by the Rates 11 and 13 customer charge and the sum of the Base Distribution Charges, the Distribution Adjustment Charges, the Energy Efficiency Charges, and the Gas Charges in effect during the period. This estimate of the discount shall be used to determine the amount to be reflected in the Distribution Adjustment Charge on prospective basis. The amount shall be divided by the estimated therms to be delivered by the Company to all customers excluding customers on Rates 11 and 13. Such per therm charge is referred to as the LIDRF.

The revenue billed through the LIDRF shall be subject to reconciliation against the actual bill discounts provided during the twelve month reconciliation period for which the LIDRF is in effect, and any over- or under-recovery of the actual discount provided shall be reflected in the Reconciliation Factor.

For purposed of the above reconciliation, the Company shall accumulate the actual discounts provided to Rates 11 and 13 customers and the revenue billed through the LIDRF and shall accrue interest on the difference between these amounts at the interest rate paid on customer deposits on a monthly basis.

Should any balance remain subsequent to the recovery of the over- or under-recovery balance as described above, the Company shall reflect, as an adjustment in the then-current reconciliation period, the amount of the remaining balance.

OTHER MISCELLANEOUS CHARGES

ARREARAGE MANAGEMENT PROGRAM PROVISION

3.0 ARREARAGE MANAGEMENT PROGRAM:

In accordance with R.I.G.L. § 39-2-1(d)(2), commencing on September 1, 2016, the Company shall implement an AMP pursuant to this tariff provision.

I. PROGRAM ELIGIBILITY

In order to be considered eligible for enrollment in the AMP, a customer who has been terminated from gas service or is recognized, pursuant to a rule or decision by the Division, as being scheduled for actual shut-off of service on a specific date, shall meet all of the following criteria:

- The applicant must be the customer of record, although the customer of record may authorize someone else to communicate with the Company to help enroll the customer of record in the AMP;
- The applicant must be eligible for the federal low-income home energy assistance program (“LIHEAP”);
- The account must be receiving retail delivery service on the Company’s Residential Low-Income Rates 11 and 13;
- The customer’s account must have a minimum balance of \$300.00 that is more than 60 days past due;
- If service to the account has been terminated, the customer must make an initial payment of 25% of the total unpaid balance (current and past due), unless otherwise directed by the PUC as a result of an emergency regulation;
- The customer must agree to a payment plan, as further described in Section III;
- The customer must agree to remain current with payments. “Remaining current” means that the customer:
 - 1) misses no more than two (2) payments in the 12-month term of the payment plan; and
 - 2) pays the amount due under the payment plan in full by the conclusion of the payment plan’s 12-month term;
- The customer must agree to participate in the Company’s Energy Efficiency programs; and
- The customer must apply for other available energy assistance programs, such as fuel assistance and weatherization

OTHER MISCELLANEOUS CHARGES

ARREARAGE MANAGEMENT ADJUSTMENT PROVISION

II. ENROLLMENT

To participate, the customer must affirmatively apply to participate in the AMP.

The Company shall administer the AMP enrollment process in compliance with the eligibility qualifications outlined in Section I. By applying to participate in the AMP, the customer agrees to comply with the terms of the AMP, including the customer's specific payment plan. After a customer has applied to the AMP, the Company shall determine whether the customer has met all of the AMP eligibility criteria set forth in Section I, based on the Company's records. The Company will coordinate with the Community Action Program ("CAP") agencies to validate customer eligibility when appropriate.

III. PAYMENT PLAN

AMP participants shall enroll in a 12-month payment plan, paid in equal monthly installments, which will cover new charges based upon their current estimated annual usage ("Payment Plan").

The current component of the Payment Plan shall be based on the customer's average monthly usage for the previous year less the customer's actual or anticipated fuel assistance commitments, and shall be converted to a fixed monthly payment.

IV. ARREARS FORGIVENESS

AMP participants will be eligible for forgiveness of their account balance that is past due at the time of the first bill under their Payment Plan, up to an annual maximum of \$1,500. With each payment under the Payment Plan, a portion of the participant's outstanding past due account balance as described above is forgiven in an amount equal to the total past due account balance or \$1,500, whichever is less, divided by 12; provided, however, that the annual arrearage forgiveness amount shall not exceed \$1,500.

If an AMP participant's past due account balance at the time their Payment Plan takes effect exceeds \$1,500, the AMP participant may request an extension of the Payment Plan beyond the initial 12-month term to establish a new Payment Plan to accommodate the additional account balance in excess of \$1,500. To be eligible for an extension, the AMP participant must be current with their Payment Plan at the conclusion of the initial 12-month term. Such AMP participant's Payment Plan will be extended upon the AMP participant's timely request for an extension.

OTHER MISCELLANEOUS CHARGES

ARREARAGE MANAGEMENT ADJUSTMENT PROVISION

PAYMENT PLAN REVIEW

Customers applying to participate in the AMP will be advised that the amount of their required monthly payment under their Payment Plan may change over the lifetime of the Payment Plan.

The Company shall review the Payment Plans of active AMP participants every three months and may adjust the installment payments based on the following:

- A fuel assistance commitment is made subsequent to enrollment;
- There is a change in fuel assistance, such as a change in the amount, from what was understood at enrollment;
- The customer moves to a new address with a different average monthly usage for the previous year;
- Actual usage patterns differ from what was estimated as annual usage at enrollment; or
- There is a significant change in the Company's rates from what was anticipated at enrollment.

V. DEFAULT

The Company shall consider the AMP participant's billing account in default if either of the following occurs:

- The AMP participant misses more than two (2) payments in the 12-month Payment Plan term; or
- If the amount due under the Payment Plan is not paid in full by the conclusion of the 12-month Payment Plan term.

Upon default, the Company shall terminate an AMP participant from the AMP and the customer's unpaid balance will be due and payable in full. However, any arrearage forgiven under the AMP prior to termination of participation in the AMP will remain forgiven.

Customers shall have the option to opt out of continued participation in the AMP at any time, with the understanding that any unpaid balance will be due and payable in full. Customers who voluntarily opt out of the AMP will receive the same treatment as those customers who default on their Payment Plans under the AMP, as set forth in Section X (Subsequent Eligibility).

OTHER MISCELLANEOUS CHARGES

ARREARAGE MANAGEMENT ADJUSTMENT PROVISION

VI. TERMINATION

In addition to termination upon default, a customer's participation in the AMP shall terminate if either of the following occurs:

- The AMP participant moves outside of the Company's service territory; or
- The AMP participant moves from one service location to another service location.

If a customer is terminated from AMP participation, the customer's unpaid balance will be due and payable in full. However, any arrearage forgiven under the AMP prior to termination of participation in the AMP will remain forgiven.

VII. COLLECTION ACTIVITY

AMP participants shall not be subject to the Company's normal collections activities while actively participating in the AMP. The Company shall resume normal collections activities if an AMP participant defaults while participating in the AMP or terminates the AMP.

VIII. AMP BILLING AND ACTIVE PLAN NOTICING

The Company shall remove the amount of an AMP participant's arrears balance up to \$1,500 from the "current amount due" field on certain views of AMP participant accounts in the Company's billing system. However, the arrears balance up to \$1,500 shall remain on the customer's bill.

Customers who are enrolled in the AMP will receive an AMP "Enrollment Letter" outlining the terms and conditions of their participation in the AMP.

Customers in danger of defaulting from the AMP will receive a default letter advising them of the need to make all required payments or risk default, termination from the AMP, and a return to the Company's normal collections activities.

IX. SUBSEQUENT ELIGIBILITY

A customer is eligible for subsequent enrollment in the AMP provided two years have passed since either (a) the date of the customer's successful completion of the AMP, or (b) the date on which the customer's participation in the AMP was terminated as a result of default or because the customer voluntarily opted out of the AMP, so long as a CAP agency has provided a recommendation to allow eligibility notwithstanding the customer's default or voluntary opt out of the AMP. The Company shall review requests for re-enrollment on a case-by-case basis to determine that the foregoing criteria are met.

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ARREARAGE MANAGEMENT ADJUSTMENT PROVISION

X. REPORTING METRICS

The Company shall report monthly and annually the metrics below to allow for the evaluation of the effectiveness of the AMP. The monthly and annual reports shall be submitted to the PUC in Docket No. 4290.

- Number of customers enrolled in the program at the end of the reporting period;
- Number of customers added to the program during the reporting period;
- Number of customers terminated from the program (by choice or default) during the reporting period;
- Number of customers who successfully completed the program during the reporting period;
- Total customer payments during the reporting period;
- Total amount to be forgiven for all participating customers at the end of the reporting period;
- Average amount to be forgiven for all participating customers at the end of the reporting period;
- Total amount to be paid under a payment plan for all participating customers at the end of the reporting period;
- Average arrears balance not yet forgiven of all participating customers at the end of the reporting period;
- Average arrears balance as a percentage of the total balance due for all participating customers at the end of the reporting period;
- Total amount of arrears outstanding for all participants at the end of the reporting period;
- Total amount of forgiveness credits (allowances) given during the reporting period;
- Number of forgiveness credits (allowances) given during the reporting period;
- Average amount of forgiveness credits (allowances) given during the reporting period;
- Number of participants receiving LIHEAP at the end of the reporting period;
- Percentage of participants receiving LIHEAP at the end of the reporting period; and
- Total LIHEAP payments received during the reporting period.

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ARREARAGE MANAGEMENT ADJUSTMENT PROVISION

The Company shall also provide a schedule with the number of customers enrolled in the AMP, by month, together with the number of defaults and program terminations.

XI. COST RECOVERY

The DAC applicable to all the firm rates of the Company are shall contain an Arrearage Management Adjustment Factor (“AMAF”) designed to recover incremental costs incurred associated with the AMP. Incremental costs include the amount of arrearage forgiven. The recovery of the arrearage amounts forgiven by the Company through the AMP is dependent on the following criteria:

- i. If a customer does not satisfy the conditions of R.I.G.L. § 39-2-1(d)(2), the amount of arrearage forgiven by the Company to that point shall remain forgiven and be written off by the Company. However, the amount of arrearage forgiven by the Company is recoverable in full.
- ii. If a customer does satisfy the conditions of R.I.G.L. § 39-2-1(d)(2), all arrearage amounts forgiven will be treated as bad debt. At the end of each calendar year, the Company will perform a test to determine if the amount of bad debt for the year exceeds the adjusted allowable bad debt from the Company’s most recent general rate case. This adjusted allowable bad debt will be calculated using the distribution uncollectible amount determined in the last general rate case, updated for the current calendar year Gas Cost Recovery, DAC, commodity, and energy efficiency-related bad debt. Should the actual amount of bad debt incurred by the Company for the year exceed this adjusted allowable bad debt amount, the Company will be entitled to recover, in the following year, all amounts of arrearage forgiven under R.I. Gen. Laws § 39-2-1(d)(2)(xiv) in the prior year in excess of the allowable bad debt. If, however, the amount of the arrearage forgiven under § 39-2-1(d)(2)(xiv) in excess of the adjusted allowable bad debt for a given year is not significant enough to calculate an annual reconciling factor for that year, the Company may reflect such amount in its next Revenue Decoupling Mechanism reconciliation filing.

The AMAF shall be a uniform per therm factor based on the estimated therms to be delivered by the Company to its gas customers over a 12-month period. For billing purposes, the AMAF will be included with the DAC charge on customers’ bills. Should any balance remain outstanding subsequent to the recovery of costs associated with the AMP as described above, the Company shall reflect this balance as an adjustment in the subsequent period.

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ARREARAGE MANAGEMENT ADJUSTMENT PROVISION

XII. ADJUSTMENT TO RATES

Adjustments to rates pursuant to the Arrears Management Program Provision are subject to review and approval by the PUC. Modifications to the factor contained in this Provision shall be made in accordance with a notice filed with the PUC pursuant to R.I.G.L. § 39-3-11(a) setting forth the amount(s) of the revised factor(s) and the amount(s) of the increase(s) or decrease(s). The notice shall further specify the effective date of such charges.

SERVICE AND MAIN EXTENSION POLICIES

**THE NARRAGANSETT ELECTRIC COMPANY
POLICY 1
NATURAL GAS SERVICE AND MAIN EXTENSION POLICY
FOR NEW INDIVIDUAL RESIDENTIAL CUSTOMERS**

When an individual residential customer or a group of individual residential customers¹ (“Customer”) request installation of a new service or a relocation of or upgrade to an existing service for the purpose of receiving natural gas service (“Request”), this policy shall apply. This policy applies to the installation and relocation of natural gas facilities by The Narragansett Electric Company (“Company”). This policy shall apply to firm service customers.

1. **Installation of Service Line**

The Company will install a “Service Line,” which may include, but is not limited to: piping, associated metering, and pressure reducing appurtenances, that transports gas below grade to the first accessible fitting of a Customer’s building. The location of the service line, the metering equipment, and the service entrance shall be designated by the Company in accordance with Rhode Island law and accepted industry practices. The Customer may be required to pay a “Contribution in Aid of Construction (CIAC)” as described in Item 6 below.

2. **Main Extension**

The Company will install a “Main,” if necessary, to provide natural gas distribution service. A Main includes, but is not limited to, a pipeline owned by the Company located on a public and/or private right-of-way which is available or used to transport gas to one or more Service Lines. The Customer may be required to pay a CIAC, as described in Item 6 below.

3. **System Reinforcement(s)**

System Reinforcements such as new main or main replacements (increased pipe-size) may be installed when the Company deems such to be necessary to provide adequate service. The Company reserves the right to recover costs for system reinforcements that are designed solely for the Customer’s benefit.

4. **Estimated Revenue**

¹A group of residential customers may include a residential subdivision, all or a portion of residential homes along a public way, or a multiple unit building with individually metered residential dwellings.

SERVICE AND MAIN EXTENSION POLICIES

Before undertaking the construction of new facilities to serve the Customer, the Company will estimate the annual incremental revenue to be derived by the Company under the distribution charges from the installation of the new facilities. Any revenue from the Distribution Adjustment Clause factors, ~~Cost of Gas~~ Cost Recovery factors, and Energy Efficiency Program Charges shall be excluded from this calculation.

5. Estimated Expenditures

5.1 Service Line and Main Extension

Service Line and Main Extension installation costs are estimated based on the pipe size, pipe composition, pipe length, and estimated trenching cost.

Plastic piping of diameter 8 inches or less will be estimated on a per foot basis, coupled with a callout fee, absent extenuating circumstances. Costs associated with service line and main extension piping of diameter larger than 8 inches or composition other than plastic will be estimated using an engineering estimate.

5.2 System Reinforcements

System reinforcement costs will be estimated using an engineering estimate.

5.3 Extenuating Circumstances

Projects with extenuating circumstances will be estimated using an engineering estimate.

Examples of extenuating circumstances include but are not limited to: excessive ledge, bridge and railroad crossings, Department of Environmental Management (“DEM”) permits and permit restrictions, state roads, restoration requirements, state road permits and any additional municipal requirements, concrete base roadways, new roadways or newly paved roadways and unusual landscaping, culverts, or upgrading of an existing service for added load.

6. Customer Payments

6.1 Contribution in Aid of Construction

Whenever the estimated expenditures necessary to supply gas to the Customer, or for relocation or upgrade of Company equipment for reasons other than the needs of the Company, shall be such an amount that the estimated revenue derived from gas service at the applicable rates will be insufficient to warrant such expenditures, the Company will require the Customer to pay the whole or part of such expenditures. The Company will use a cash

SERVICE AND MAIN EXTENSION POLICIES

flow and a net present value (NPV) analysis to determine the appropriate customer contribution, or CIAC, which includes a tax contribution factor based on the cash contribution and/or value of donated property. The resulting CIAC represents the amount that is owed to the Company from the Customer(s) prior to the Company commencing construction.

6.2 Additional Payment

When, in the Company's opinion, an engineering study is required to determine the method of service or prepare construction estimates, the Company will estimate the cost of such engineering study. The Company may charge the Customer this cost before engineering begins. If construction is undertaken, this payment will be applied to any required CIAC. If no CIAC is required, the entire additional advance payment will be refunded. If construction is not undertaken, the Company will retain the appropriate portion of this additional advanced payment as reimbursement of costs incurred by the Company, and if any amount remains, will refund the remaining balance to the Customer.

6.3 Payment Terms

For CIAC charges up to \$6,000 per Customer, each Customer will be required to pay the entire amount before the start of construction. If an individual Customer's CIAC is greater than \$6,000, the Customer will have the option to either pay the entire amount before the start of construction, or pay \$6,000 before the start of construction and pay the amount in excess of \$6,000 under a payment plan. The terms of the payment plan will be based on equal payments of at least \$75 per month until the amount in excess of \$6,000 is paid in its entirety. The term of the payment plan is not to exceed a period of five (5) years or sixty (60) months. The amount collected under the payment plan will include interest at the rate paid on customer deposits. The Customer can choose to pay the remaining balance at any time within the five-year period without penalty.

6.4 Change of Customer

The Customer must agree, as a condition of the monthly payment terms, that if he/she sells, leases, or otherwise transfers control and use of the property to another individual ("New Occupant"), and such New Occupant opens a new account with the Company, the Customer will obtain an agreement from such New Occupant to pay the remaining balance that would have been owed by the Customer at that location. Otherwise, the Customer will remain personally liable for the balance owed. The Company reserves the right to place a lien on the property until such time that the obligation is fulfilled.

6.5 Reconciliation

SERVICE AND MAIN EXTENSION POLICIES

Whenever the Company collects a CIAC, the Customer has the option to request reconciliation in accordance with the following:

6.5.1 Per-Foot Basis

In instances where the Customer has paid a CIAC derived using per-foot rates, the final actual footage for the project exceeds 125 feet, and the difference between the final actual footage and estimated footage exceeds 25 feet then the Company will calculate the difference between the estimated and actual feet multiplied by the per-foot cost. The resulting difference will be refunded to the Customer.

6.5.2 Engineering Estimate Basis

In instances where the estimated expenditure was derived using an engineering estimate and the Customer has paid a CIAC, once installation is complete and the actual expenditures determined, the Company will determine the difference between the engineering estimate and the actual cost of installation. If the difference exceeds the greater of (a) \$1,000, or (b) 10% of the engineering estimate, the Company will recalculate the Customer's CIAC based on actual cost and refund to the Customer the difference between the initial CIAC and the lower recalculated CIAC. In no case shall the reconciliation result in additional payments from the Customer, nor will the Company refund more than the Customer actually paid.

7. More Than One Customer

When natural gas service is requested by more than one Customer for the same main extension line, the CIAC will be reasonably allocated among those Customers.

8. Customer Added After Initial Construction

If a new Customer (or group of Customers) is supplied from facilities constructed under this policy, and if such service begins within five (5) years from the date of the first payment received by the Company from the original Customer or group of Customers, the Company will recalculate the charges associated with installation of the main extension and adjust CIACs or initiate refunds as appropriate.

9. Gas Service Agreement

The Company will require the Customer to sign a gas service agreement setting forth the terms of this policy and any other terms that the Company deems are reasonably necessary in connection with the installation, relocation, and/or upgrade of natural gas distribution line(s) to the Customer's property, provided that such terms are not inconsistent with the terms expressed in this policy.

SERVICE AND MAIN EXTENSION POLICIES

10. Seasonal Limitations on Underground Construction

The Company may decline, in its sole discretion, to install any underground facilities due to weather or other seasonal concerns.

11. Easements

If necessary in the Company's determination, the Company will, as a condition on the installation of the service, require the Customer(s) to provide the Company with an executed easement (drafted by the Company) for all facilities located on private property. The Customer will provide the easement prior to the start of the Company's construction and at no cost to the Company. In the event that third party rights are required for the Customer's installation, the Customer will be responsible for obtaining all third party rights or crossings at the Customer's expense.

12. Changes in Policy and Procedures

The policies, procedures, and charges set forth herein are subject to periodic review and may be expanded, updated, revised, and/or modified from time to time at the Company's discretion and with the Division's approval.

13. Thresholds for CIAC Waivers

This matrix below shows, by Customer Subcategory, the service length and or service & main installation combinations that would result in no charge to the Customer. Any variation from what is shown here may result in a cost to the Customer based on length of service line and main, type of service (residential, C&I, etc.) and pipe size. Please contact the Company directly for further information regarding costs related to jobs that exceed the thresholds shown below.

SERVICE AND MAIN EXTENSION POLICIES

Pipe Size	Service Main	Under 2" 2"	Under 2" 2"	Under 2" 2"	Under 2" 2"
Customer Subcategory		Conversion	New Homes XXLarge	New Homes XLarge	New Homes Large
Approximate Square Footage			4500	3500	2400
Annual Load (ADTh)		123	255	201	142
	Service Footage	Service Footage	Service Footage	Service Footage	Service Footage
	Service Line Only	81	177	139	96
	Main Footage	Service Footage	Service Footage	Service Footage	Service Footage
	10	60	157	119	76
	15	51	146	109	66
	20	41	137	99	56
	25	31	127	89	46
	30	21	117	78	36
	35	11	107	69	26
	40	N/A	97	58	16
	45	N/A	86	48	5
	50	N/A	76	38	N/A
	55	N/A	67	28	N/A
	60	N/A	57	17	N/A
	65	N/A	47	8	N/A
	70	N/A	37	N/A	N/A

Pipe Size	Service Main	Under 2" 2"	Under 2" 2"	Under 2" 2"	Under 2" 2"
Customer Subcategory		New Homes Med	New Homes Small	Apartment/Condo Small	Apartment/Condo Large
Approximate Square Footage		1800	1200		
Annual Load (ADTh)		123	108	59	83
	Service Footage	Service Footage	Service Footage	Service Footage	Service Footage
	Service Line Only	81	69	22	48
	Main Footage	Service Footage	Service Footage	Service Footage	Service Footage
	10	60	48	N/A	28
	15	51	39	N/A	18
	20	41	29	N/A	7
	25	31	19	N/A	N/A
	30	21	9	N/A	N/A
	35	11	N/A	N/A	N/A
	40	N/A	N/A	N/A	N/A
	45	N/A	N/A	N/A	N/A
	50	N/A	N/A	N/A	N/A
	55	N/A	N/A	N/A	N/A
	60	N/A	N/A	N/A	N/A
	65	N/A	N/A	N/A	N/A
	70	N/A	N/A	N/A	N/A

SERVICE AND MAIN EXTENSION POLICIES

THE NARRAGANSETT ELECTRIC COMPANY POLICY 2 NATURAL GAS SERVICE AND MAIN EXTENSION POLICY FOR RESIDENTIAL DEVELOPMENTS

When a developer, contractor, builder or other customer (“Developer”) proposing to construct a residential development or individual homes requests installation of a new service or a relocation of or upgrade to an existing service for the purpose of receiving natural gas service (“Request”), this policy shall apply. This policy applies to the installation and relocation of natural gas facilities by The Narragansett Electric Company (“Company”).

1. **Installation of Service Line**

The Company will install a “Service Line,” which may include, but is not limited to: piping, associated metering, and pressure reducing appurtenances, that transports gas below grade to the first accessible fitting of a Customer’s building. The location of the service line, the metering equipment, and the service entrance shall be designated by the Company in accordance with Rhode Island law and accepted industry practices. The Developer may be required to pay a “Contribution in Aid of Construction (CIAC)” as described in Item 6 below.

2. **Main Extension**

The Company will install a “Main” if necessary, to provide natural gas distribution service. A Main includes, but is not limited to, a pipeline owned by the Company located on a public and/or private right-of-way which is available or used to transport gas to one or more Service Lines. The Developer may be required to pay a CIAC, as described in Item 6 below.

3. **System Reinforcement(s)**

System Reinforcements such as new main or main replacements (increased pipe-size) may be installed when the Company deems such to be necessary to provide adequate service. The Company reserves the right to recover costs for system reinforcements that are designed solely for the Customer’s benefit.

4. **Estimated Revenue**

Before undertaking the construction of new facilities to serve the development, the Company will estimate the annual incremental revenue to be derived by the Company under the local distribution service rates from the installation of the new facilities. Any revenue from the

SERVICE AND MAIN EXTENSION POLICIES

Distribution Adjustment Clause factors, ~~Cost of Gas~~ [Cost](#) Recovery factors, and Energy Efficiency Charges shall be excluded from this calculation.

5. Estimated Expenditures

5.1 Service Line and Main Extension

Service line and main extension installation costs are estimated based on the pipe size, pipe composition, pipe length, and estimated trenching cost.

Plastic piping of diameter 8 inches or less will be estimated on a per foot basis, coupled with a call out fee, absent extenuating circumstances. Costs associated with service line and main extension piping of diameter larger than 8 inches or composition other than plastic will be estimated using an engineering estimate.

5.2 System Reinforcements

System reinforcement costs will be estimated using an engineering estimate.

5.3 Extenuating Circumstances

Projects with extenuating circumstances will be estimated using an engineering estimate.

Examples of extenuating circumstances include but are not limited to: excessive ledge, bridge and railroad crossings, DEM permits and permit restrictions, state roads, restoration requirements, state road permits and any additional municipal requirements, concrete base roadways, new roadways or newly paved roadways and unusual landscaping, culverts or upgrading of an existing service for added load.

6. Developer Obligations

The Developer will be responsible for removal of ledge, trenching and backfilling in accordance with the Company's construction standards. In addition, the Developer will be responsible for:

- i. providing, prior to the start of the Company's construction, all applicable documents required for the Company to prepare design drawings and easements for its facilities to be installed on private property;

SERVICE AND MAIN EXTENSION POLICIES

- ii. supplying copies of all invoices, when requested, indicating manufacturer and part number for all such equipment listed/referred to above; equipment that is not approved shall not be used without the prior written consent of the Company; and
- iii. turning over ownership of the local gas distribution system to the Company upon inspection and acceptance of such system by the Company.

7. Developer Payments

a. Contribution in Aid of Construction

Whenever the estimated expenditures necessary to supply gas to the Customer, or for relocation or upgrade of Company equipment for reasons other than the needs of the Company, shall be such an amount that the estimated revenue derived from gas service at the applicable rates will be insufficient to warrant such expenditures, the Company will require the Developer to pay the whole or part of such expenditures. The Company will use a cash flow and a net present value (NPV analysis) to determine the appropriate customer contribution, referred to as CIAC, which includes a tax contribution factor based on the value of the donated property and/or any such cash contribution. The resulting CIAC represents the amount that is owed to the Company from the Developer prior to project implementation. Cost to the Developer will vary depending upon job scope, and will be provided during the application process, once job specifications have been determined.

b. Additional Payment

When, in the Company's opinion, significant engineering is required to determine the method of service or prepare construction estimates, the Company will estimate the cost of such engineering study. The Company may charge the Customer this cost before engineering begins. If construction is undertaken, this payment will be applied to any required CIAC. If no CIAC is required, the entire additional advance payment will be refunded. If construction is not undertaken, the Company will retain the appropriate portion of this additional advanced payment as reimbursement of costs incurred by the Company, and if any amount remains, will refund the remaining balance to the Developer.

c. Reconciliation

Whenever the Company collects a CIAC, the Customer has the option to request a reconciliation in accordance with the following:

i. Per Foot Basis

SERVICE AND MAIN EXTENSION POLICIES

In instances where the Developer has paid a CIAC derived using per foot rates, and the final actual footage for the project exceeds 125 feet; then, the Company will calculate the difference between the estimated and actual feet times the per foot cost. The resultant difference will be refunded to the Customer, if the difference between the final actual and estimated footage is in excess of 25 feet.

ii. Engineering Estimate Basis

In instances where the estimated expenditure was derived using an engineering estimate and the Developer has paid a CIAC, once installation is complete and the actual expenditures determined, the Company will determine the difference between the engineering estimate and the actual cost of installation. If the difference exceeds the greater of (a) \$1,000 or (b) 10% of the engineering estimate, the Company will recalculate the Developer's CIAC based on actual cost and refund to the customer the difference between the initial CIAC and the lower recalculated CIAC. In no case shall the reconciliation result in additional payments from the Customer, nor will the Company refund more than the Developer actually paid.

8. More Than One Customer

When natural gas service is requested by more than one Customer for the same main extension line, the CIAC will be reasonably allocated among those Customers.

9. Customer Added After Initial Construction

If a new Customer (or group of Customers) is supplied from facilities constructed under this policy, and if such service begins within five (5) years from the date of the first payment received by the Company from the original Customer or group of Customers, the Company will recalculate the charges associated with installation of the main extension and adjust charges or initiate refunds as appropriate.

10. Developer Provides Plans and Documentation

The total number of house lots proposed to be constructed ("House Lots") will be provided in advance to the Company by the Developer (prior to the Company building the distribution line), along with an electronic copy (in a format acceptable to the Company) of the subdivision plan approved by the planning board in the applicable community.

The Company may require the Developer to provide, in advance, the following:

- (A) a copy of the approval of the planning board for the subdivision;

SERVICE AND MAIN EXTENSION POLICIES

- (B) a copy of all permits and approvals that have been obtained for constructing the development;
- (C) the name and address of the bank or credit union providing financing for the development, including a contact person and phone number;
- (D) a schedule or Developer's best estimate for the construction of homes in the development; and
- (E) if requested by the Company, such other reasonable information that may be required to confirm the viability of the development.

11. Building the Distribution Line in Segments

The Company may, in its own discretion, construct the distribution in segments, rather than all at once in the proposed development.

12. Gas Service Agreement

The Company will require the Developer to sign a gas service agreement setting forth the terms of this policy and any other terms that the Company deems are reasonably necessary in connection with the installation, relocation, and/or upgrade of natural gas distribution line(s) to the development, provided that such terms are not inconsistent with the terms expressed in this policy.

13. Seasonal limitations on Underground Construction

The Company may decline, in its sole discretion, to install any underground facilities due to weather or other seasonal concerns.

14. Easements

If necessary in the Company's determination, the Company will, as a condition on the installation of the service, require the Developer to provide the Company with an executed easement (drafted by the Company) for all facilities located on private property. The Developer will provide the easement prior to the start of the Company's construction and at no cost to the Company. In the event that third party rights are required for the Developer's installation, the Developer will be responsible for obtaining all third party rights or crossings at the Developer's expense.

SERVICE AND MAIN EXTENSION POLICIES

**THE NARRAGANSETT ELECTRIC COMPANY
POLICY 3
NATURAL GAS SERVICE AND MAIN EXTENSION POLICY**

FOR COMMERCIAL, INDUSTRIAL AND EXISTING RESIDENTIAL CUSTOMERS

The terms of this policy shall apply when a commercial, industrial or non-residential (a real estate development which is not an approved subdivision of single-family homes) customer (“Customer”) requests installation of a new service or a relocation of or upgrade to an existing service for the purpose of receiving natural gas service (“Request”). This policy applies to the installation and relocation of natural gas facilities by The Narragansett Electric Company (“Company”).

1. Installation of Service Line

The Company will install a “Service Line,” which may include, but is not limited to: piping, associated metering, and pressure reducing appurtenances, that transports gas below grade to the first accessible fitting of a Customer’s building. The location of the service line, the metering equipment, and the service entrance shall be designated by the Company in accordance with Rhode Island law and accepted industry practices. The Customer may be required to pay a “Contribution in Aid of Construction (CIAC)” as described below.

2. Main Extension

The Company will install a “Main,” if necessary, to provide natural gas distribution service. A “Main” includes, but is not limited to, a pipeline owned by the Company located on a public and/or private right-of-way which is available or used to transport gas to one or more Service Lines. The Customer may be required to pay a CIAC, as described below.

3. System Reinforcement(s)

System Reinforcements such as new main or main replacements (increased pipe-size) may be installed when the Company deems such to be necessary to provide adequate service. The Company reserves the right to recover costs for system reinforcements that are designed solely for the Customer’s benefit.

4. Estimated Revenue

Before undertaking the construction of new facilities to serve the Customer, the Company will estimate the annual incremental revenue to be derived by the Company under the local distribution service rates from the installation of the new facilities. Any revenue from the

SERVICE AND MAIN EXTENSION POLICIES

Distribution Adjustment Clause factors, Cost of Gas Recovery factors, and Energy Efficiency Charges shall be excluded from this calculation.

5. Estimated Expenditures

a. Service Line and Main Extension

Service line and main extension installation costs are estimated based on the pipe size, pipe composition, pipe length, and estimated trenching cost.

Plastic piping of diameter 8 inches or less will be estimated on a per foot basis, coupled with a call out fee, absent extenuating circumstances. Costs associated with service line and main extension piping of diameter larger than 8 inches or composition other than plastic will be estimated using an engineering estimate.

b. System Reinforcements

System reinforcement costs will be estimated using an engineering estimate.

c. Extenuating Circumstances

Projects with extenuating circumstances will be estimated using an engineering estimate.

Examples of extenuating circumstances include but are not limited to: excessive ledge, bridge and railroad crossings, DEM permits and permit restrictions, state roads, restoration requirements, state road permits and any additional municipal requirements, concrete base roadways, new roadways or newly paved roadways and unusual landscaping, culverts or upgrading of an existing service for added load.

6. Customer Obligations

The Customer, at no cost to the Company, will be responsible for blasting and tree trimming and removal on private property, including roadways not accepted as public ways by the municipality, in accordance with the Company's specifications and subject to the Company's inspection.

7. Customer Payments

a. Contribution in Aid of Construction

SERVICE AND MAIN EXTENSION POLICIES

Whenever the estimated expenditures necessary to supply gas to the Customer, or for relocation or upgrade of Company equipment for reasons other than the needs of the Company, shall be such an amount that the estimated revenue derived from gas service at the applicable rates will be insufficient to warrant such expenditures, the Company will require the Customer to pay the whole or part of such expenditures. The Company will use a cash flow and a net present value (NPV analysis) to determine the appropriate customer contribution, referred to as CIAC, which includes a tax contribution factor based on the value of the donated property and/or any such cash contribution. The resulting CIAC represents the amount that is owed to the Company from the Customer(s) prior to project implementation. Cost to the Customer will vary depending upon job scope, and will be provided during the application process, once job specifications have been determined.

b. Additional Payment

When, in the Company's opinion, significant engineering is required to determine the method of service or prepare construction estimates, the Company will estimate the cost of such engineering. The Company may charge the Customer this cost before engineering begins. If construction is undertaken, this payment will be applied to any required CIAC. If no CIAC is required, the entire additional advance payment will be refunded. If construction is not undertaken, the Company will retain the appropriate portion of this additional advanced payment as reimbursement of costs incurred by the Company, and if any amount remains, will refund the remaining balance to the Customer.

c. Reconciliation

Whenever the Company collects a CIAC, the Customer has the option to request a reconciliation in accordance with the following:

i. Per Foot Basis

In instances where the Customer has paid a CIAC derived using per foot rates, and the final actual footage for the project exceeds 125 feet; then, the Company will calculate the difference between the estimated and actual feet times the per foot cost. The resultant difference will be refunded to the Customer, if the difference between the final actual and estimated footage is in excess of 25 feet.

ii. Engineering Estimate Basis

In instances where the estimated expenditure was derived using an engineering estimate and the Customer has paid a CIAC, once installation is complete and the actual expenditures determined, the Company will determine the difference between the engineering estimate and the actual cost of installation. If the difference exceeds

SERVICE AND MAIN EXTENSION POLICIES

the greater of (a) \$1,000, or (b) 10% of the engineering estimate, the Company will recalculate the Customer's CIAC based on actual cost and refund to the Customer the difference between the initial CIAC and the lower recalculated CIAC. In no case shall the reconciliation result in additional payments from the Customer, nor will the Company refund more than the Customer actually paid.

8. More Than One Customer

When natural gas service is requested by more than one Customer for the same main extension line, the CIAC will be reasonably allocated among those Customers.

9. Customer Added After Initial Construction

If a new Customer (or group of Customers) is supplied from facilities constructed under this policy, and if such service begins within five (5) years from the date of the first payment received by the Company from the original Customer or group of Customers, the Company will recalculate the charges associated with installation of the main extension and adjust charges or initiate refunds as appropriate.

10. Building the Distribution Line in Segments

The Company may, in its own discretion, construct the distribution in segments, rather than all at once in the proposed development.

11. Gas Service Agreement

The Company will require the Customer to sign a gas service agreement setting forth the terms of this policy and any other terms that the Company deems are reasonably necessary in connection with the installation, relocation, and/or upgrade of natural gas distribution line(s) to the Customer's property, provided that such terms are not inconsistent with the terms expressed in this policy.

12. Seasonal limitations on Underground Construction

The Company may decline, in its sole discretion, to install any underground facilities due to weather or other seasonal concerns.

13. Easements

If necessary in the Company's determination, the Company will, as a condition on the installation of the service, require the Customer(s) to provide the Company with an executed easement (drafted by the Company) for all facilities located on private property. The

The Narragansett Electric Company
d/b/a National Grid
RIPUC NG-GAS-No. 101B

Section 8
Service and Main Extension Policies
Schedule C, Sheet 5
[First Revision](#)

SERVICE AND MAIN EXTENSION POLICIES

Customer will provide the easement prior to the start of the Company's construction and at no cost to the Company. In the event that third party rights are required for the Customer's installation, the Customer will be responsible for obtaining all third party rights or crossings at the Customer's expense.

Legal Notice
National Grid Tariff Advice Filing
To Amend Gas Tariff at RIPUC NG-GAS No. 101
RIPUC Docket No. _____

On December 5, 2018, The Narragansett Electric Company d/b/a National Grid (National Grid) submitted to the Rhode Island Public Utilities Commission (PUC) its tariff advice filing to amend National Grid's gas tariff. This filing was made pursuant to PUC Rule 1.9. National Grid proposes the following changes to its gas tariff. First, with respect to the Low Income Discount implemented through PUC Docket No. 4770, the Company is amending any references to the "Family Independence Program" in the Low Income Residential Non-Heating Rate 11, Low Income Residential Heating Rate 13, and Residential Assistance Provision provisions to the "Rhode Island Works Program." Second, the Company is revising the General Terms and Conditions to provide customers notice that the Company may contact customers for non-emergency reasons, and that customers may opt out of receiving such non-emergency communications by contacting the Company. Third, the Company is correcting language to the calculation of the customer charge for Non-Firm Sales Service Rate 60 and Non-Firm Transportation Service Rate 61. Fourth, the Company is making clean up revisions to the Arrearage Management Adjustment Provision and Service and Main Extension Policies 1 and 2.

National Grid is proposing an effective date of January 15, 2019. The filing has been docketed as RIPUC Docket No. _____. A copy of the filing is on file for examination at National Grid, 280 Melrose Street, Providence, Rhode Island and at the office of the Public Utilities Commission, 89 Jefferson Blvd., Warwick, Rhode Island or on the Commission's website at _____.

National Grid