

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

THE NARRAGANSETT ELECTRIC COMPANY :
d/b/a NATIONAL GRID’S RESIDENTIAL : **DOCKET NO. 4950**
ASSISTANCE PROVISION :
FOR EFFECT JULY 1, 2019 :

ORDER

I. Introduction

On May 15, 2019, The Narragansett Electric Company d/b/a National Grid (National Grid or Company) submitted its Residential Assistance Recovery filing to the Public Utilities Commission (Commission or PUC) pursuant to , pursuant to the Residential Assistance Provision (RAP) R.I. Gen. Laws § 39-2-1(d) and RIPUC No. 2216¹ for effect July 1, 2019.² The Residential Assistance Program comprises two elements: the Arrearage Management Adjustment Factor (AMAF) and the Low Income Discount Recovery Factor (LIDRF).

On June 7, 2019, the Division of Public Utilities and Carriers (Division) filed a memorandum recommending approval of National Grid’s proposed 2019 AMAF of \$0.00010/kWh and the 2019 LIDRF of \$0.00152/kWh.³

At an Open Meeting held on June 17, 2019, based on the recommendation of the Division, the PUC voted unanimously to approve National Grid’s proposed 2019 factors, as filed.

¹ See [https://www.nationalgridus.com/media/pdfs/billing-payments/tariffs/ri/rap_ripuc_2216-\(01.15.19\).pdf](https://www.nationalgridus.com/media/pdfs/billing-payments/tariffs/ri/rap_ripuc_2216-(01.15.19).pdf)

² National Grid’s 2019 Residential Assistance Recovery (Filing) (May 15, 2019). All filings in this docket are available at the PUC offices located at 89 Jefferson Boulevard, Warwick, Rhode Island or at <http://www.ripuc.org/eventsactions/docket/4950page.html>.

³Division Memorandum of the of Public Utilities and Carriers (June 7, 2019); http://www.ripuc.org/eventsactions/docket/4950-DIV-Memo_6-7-19.pdf.

II. Arrearage Management Adjustment Factor

The Arrearage Management Adjustment Factor is designed to allow the Company to recover arrearages forgiven for those customers who participate in the Company's Arrearage Management Program.⁴ The eligible arrearages fall into two categories. For arrearages attributable to customers who default under the program, National Grid is authorized to recover all amounts forgiven. For those attributable to customers who successfully complete the Arrearage Management Program, however, the Company is authorized to recover only those amounts forgiven that exceed the adjusted bad debt allowance.⁵

In support of its filing, National Grid submitted the direct testimony and schedules of Robin E. Pieri, Senior Analyst for New England Electric Pricing in the Regulation and Pricing Department of National Grid USA Service Company, Inc. Ms. Pieri proposed an Adjustment Factor of \$0.00010/kWh for effect on July 1, 2019.⁶ The proposed Adjustment is designed to recover a total of \$707,859 in arrearages forgiven under the Arrearage Management Program for the twelve-month period ending December 31, 2018.⁷ Of that amount, \$606,225 was attributable to participants who defaulted from the program. An additional \$101,634 resulted from customers who voluntarily opted out of the Arrearage Management Program prior to successful completion.⁸ For customers who successfully completed their payment plans, a total of \$238,225 in arrearages was forgiven in calendar year 2018. Ms. Pieri represented that the Company experienced \$29,457

⁴ Program participants enroll in a one-year payment plan, with a fixed monthly charge equal to the customer's estimated average prior usage, as determined by National Grid. With each payment made over the course of the year, one-twelfth of the customer's arrearage would be forgiven. Customers can earn up to \$1,500 of forgiveness in a year. If a customer's outstanding balance is greater than \$1,500, the plan may be extended for an additional twelve-month period. Customers must remain current with payments or be subject to removal from the program, with all unpaid balances due and payable in full. R.I. Gen. Laws § 39-2-1(d).

⁵ R.I. Gen. Laws § 39-2-1(d).

⁶ Test. of Robin E. Pieri at 2 (May 15, 2019).

⁷ Pieri Test. at 3.

⁸ Pieri Test. at 7; Filing, Sch. REP-1 at 2.

less bad debt in CY 2018 than the adjusted allowable bad debt of \$12,586,461. Therefore, no amount of arrears forgiven is eligible for recovery.⁹

To calculate the Arrearage Management Adjustment Factor, Ms. Pieri added the amount of unsuccessful arrearage forgiveness, \$707,859, to the recoverable amount for successful participants, for a total of \$707,859.¹⁰ This amount was then divided by the forecasted deliveries for July 2019 through June 2020 of 7,078,046,498 kWh to result in the proposed Adjustment Factor of \$0.00010 per kWh.¹¹

III. Low Income Discount Recovery Factor

The Low Income Discount Recovery Factor is designed to recover the estimated low-income discounts credited to the bills of Rate A-60 customers during the period July 1, 2019 through June 30, 2020.¹² Pursuant to RIPUC No. 2216, the Company is required, on an annual basis, to estimate the discount to be provided to Rate A-60 customers. The estimated discount will be twenty-five percent of the forecasted Rate A-60 monthly billing units multiplied by the Rate A-60 customer charge plus the sum of the Retail Delivery Service and semi-annual Standard Offer Service energy rates in effect during the period. For customers receiving benefits through Medicaid, General Public Assistance, and/or Rhode Island Works Program (formerly known as the Family Independence Program) or successor programs, the estimated discount will be thirty percent of the forecasted Rate A-60 monthly billing units multiplied by the Rate A-60 customer charge and the sum of the Retail Delivery Service and semi-annual Standard Offer Service energy rates in effect during the period.¹³ This estimate of the discount is used to determine the amount

⁹ Pieri Test. at 8.

¹⁰ *Id.* at 9.

¹¹ Filing, Sch. REP-1 at 1.

¹² *Id.* at 3.

¹³ RIPUC No. 2216 at 1 (December 5, 2018).

to be reflected in Retail Delivery Service rates on a prospective basis. The amount is divided by the estimated kilowatt-hours to be delivered by the Company to all customers, excluding customers on Rate A-60. The resulting per kWh charge is referred to as the LIDRF.¹⁴

Ms. Pieri calculated the LIDRF by first reviewing the historical data for the period of September 2018 through April 2019 associated with both the twenty-five percent and the thirty-percent discount.¹⁵ The data showed that an average of 31,929 customers received discounts totaling \$6,948,999, with an effective discount rate of 25.3%.¹⁶ Ms. Pieri then estimated the low income discount charge for the period July 1, 2019 through June 2020 to be \$10,507,816. Using an estimated forecasted kWh deliveries rate of 6,880,780,875, she calculated the proposed LIDRF at \$0.00152/kWh.¹⁷

Ms. Pieri also provided a reconciliation of the recovery of low-income discounts and revenues from the billing of the LIDRF from its inception on September 2018 through April 2019. That showed an under-recovery to date of \$520,860.¹⁸ The ending balance of the LIDRF reconciliation as of June 30, 2019, positive or negative, including interest, will be included for recovery in next year's filing.¹⁹

IV. Combined Impact of Factors/ Summary of Retail Delivery Service Rates

Ms. Pieri reported that, for a typical residential customer using 500 kWh per month, the combined impact of the Arrearage Management Adjustment Factor at \$0.00010/kWh and the Low Income Discount Recovery Factor at \$0.00152/kWh would result in a monthly increase of \$0.04 from \$107.93 to \$107.97²⁰

¹⁴ *Id.*

¹⁵ Sch. REP -3 at 2.

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ Pieri Test. at 11; Sch. REP-4.

¹⁹ *Id.* at 12.

²⁰ Pieri Test. at 12; Sch. REP-5.

Ms. Pieri noted that the Company did not present any changes to its Summary of Retail Delivery Service Rates within the scope of this filing. She explained that the Company was in the process of proposing a new Revenue Decoupling Mechanism Adjustment Factor, as well as a new Long-Term Contracting for Renewable Energy Recovery Factor, in separate filings. These factors, if approved, would also take effect on July 1, 2019. Therefore, to avoid any confusion that might arise from filing multiple versions of the Summary of Retail Delivery Service Rates, the Company will file a revised Summary of Retail Delivery Service Rates incorporating all the rate changes effective for July 1, 2019 after the Commission has ruled on all the individual proposals.

Accordingly, it is hereby

(23634) ORDERED:

1. The Narragansett Electric Company d/b/a National Grid's proposed 2019 Arrearage Management Adjustment Factor of \$0.00010/kWh for effect on July 1, 2019 is approved.
2. The Narragansett Electric Company d/b/a National Grid's proposed 2019 Low Income Discount Recovery Factor of \$0.00152/kWh, for effect on July 1, 2019 is approved.

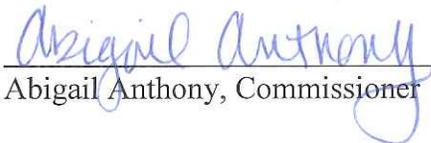
EFFECTIVE AT WARWICK, RHODE ISLAND ON JULY 1, 2019 PURSUANT TO AN OPEN MEETING DECISION ON JUNE 17, 2019. WRITTEN ORDER ISSUED JULY 16, 2019.

PUBLIC UTILITIES COMMISSION




Margaret E. Curran, Chairperson

Marion S. Gold, Commissioner*


Abigail Anthony, Commissioner

*Note: Commissioner Gold was unavailable to participate in this matter.

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