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July 7, 2020

Ms. Luly Massaro, Clerk  
Rhode Island Division of Public Utilities  
and Carriers  
89 Jefferson Boulevard  
Warwick, RI 02888

**Re: *The Narragansett Bay Commission - Docket 5022***  
***In Re: Suspension Of Service Terminations And***  
***Certain Collection Activities During The COVID-19 Emergency***

Dear Ms. Massaro:

Enclosed herewith please find an original and nine copies of the Narragansett Bay Commission's Response to the Rhode Island Public Utilities Commission's Noninvestor Utility Financial Questions.

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough, Jr.

Enclosures  
cc: Service List via electronic mail

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
Response of Narragansett Bay Commission  
to the Rhode Island Public Utilities Commission's  
Noninvestor Utility Financial Questions  
July 7, 2020

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**Comm. 1-1:** Have collections dropped off over the past eight weeks vs. last year?

**Response:** Yes. Collections were \$1.3 million less this year compared to last year.

**Prepared by:** Karen Giebink

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
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July 7, 2020

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**Comm. 1-2:** If collections have dropped off, please quantify the reduction.

**Response:** See response to Comm. 1-1.

**Prepared by:** Karen Giebink

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
Response of Narragansett Bay Commission  
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July 7, 2020

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**Comm. 1-3:** What effect has any such reduction had on the utility's cash flow?

**Response:** NBC is unable to fully fund its restricted debt service accounts.

**Prepared by:** Karen Giebink

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
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**Comm. 1-4:** Has the utility been unable to meet any financial obligations or does it expect to be unable to meet any financial obligations over the next two weeks if it cannot commence termination of service as a collections option?

**Response:** NBC has not been able to fully fund its restricted debt service accounts.

**Prepared by:** Karen Giebink

**Comm. 1-5:** Please provide any information on your plans for termination of service absent an extension of the moratorium order by the PUC.

**Response:** NBC sent letters to customers encouraging them to contact NBC and make payment arrangements. NBC also initiated collection calls and is implementing additional payment options for customers.

Once the order is lifted, NBC plans to commence additional collection activities, while keeping in mind customers who have been negatively impacted by the Coronavirus pandemic may require special assistance paying their bills. To that end, NBC plans to start collection activity in steps as listed below

1. Send letter to all customers making them aware that special payment arrangements (as described below) are available if a customer is behind on their payments and unable to pay off their entire balance. (Mailed last month).
2. Make collection calls.
3. Lastly, send water shut off letters to those customers who did not respond to either the letter or phone call. This will give the customer another opportunity to call the office and make an arrangement to pay their bill.

NBC will continue to offer Special Payment Arrangement Plans -

NBC has a history of working with customers to establish payment plans that are manageable for the customer and will continue to do so with customers that are experiencing financial difficulty as a result of COVID impacts. As part of the payment plan or "arrangement process", NBC takes into consideration payment history, prior arrangement defaults, whether the account is owner occupied, if there are children, elderly or occupants with health issues, etc. A typical arrangement is three months along with payment of current charges. NBC will make arrangements for longer periods of time if it is clear that the customer will not be able to meet the obligations of a shorter term since the goal is to ensure that the customer can make the payments.

**Prepared by: Karen Giebink and Chris Walaska**

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

**IN RE: SUSPENSION OF SERVICE TERMINATIONS  
AND CERTAIN COLLECTIONS ACTIVITIES DURING  
THE COVID-19 EMERGENCY**

**DOCKET 5022**

**Narragansett Bay Commission  
Statement Of Impact of Moratorium of Service Termination for non-payment**

In its June 2, 2020 Order in the above captioned Docket, the Rhode Island Public Utility Commission sought stakeholder input on the following issues:

1. Whether a moratorium on service terminations should continue for all categories of customers, e.g. non-residential, etc.
2. Whether there should be a lifting of the moratorium for a particular category of customer; and,
3. The appropriate duration of any extension of a moratorium on service terminations.

To update the Commission, last month, the Narragansett Bay Commission (NBC) sent letters to customers encouraging them to contact NBC and make payment arrangements (see attached). NBC also initiated collection calls and it appears that these have had some positive impact, with collections in June nearly \$1 million more than in each of the prior two months. Despite the increased receipts, however, cash receipts for the last three months (April, May and June) of this year are approximately \$2.8 million lower than the first three months of the year (January, February and March). In addition, receipts are approximately \$2.8 million lower than the same three months last year as follows:

<b>Three Months</b>	<b>Total Receipts</b>	
January - March	\$	25,639,907
April - June		22,801,670
	\$	(2,838,237)
		<b>April - June</b>
2019	\$	25,666,765
2020		22,801,670
	\$	(2,865,095)

In May and June, NBC was not able to fully fund its debt service payment accounts. This lack of funding cannot be sustained.

While NBC is mindful of the impact COVID-19 has had on many of our customers, NBC is concerned about the long-term impact that may result from the inability to terminate service for non-payment. Potential service termination is an effective tool in NBC's collection efforts. Collections increase in response to service termination notifications. Notice to a customer that they may have their service terminated causes customers to contact NBC to pay their bills as well as make payment arrangements. NBC is also concerned because the larger that the outstanding balances become, the more difficult it is for customers to make a successful payment arrangement that is not overly burdensome. It should also be noted that some customers had past due balances prior to COVID-19 impacts.

In addition to concerns about collections, NBC is also concerned about a decline in revenue. NBC experienced a decline in consumption revenue across all three customer classes in March and April, invoicing at 12% below the PUC approved levels. In May however, NBC saw commercial consumption 30% lower than projected and this was true in June as well. NBC is monitoring billing to determine if it recovers once businesses are allowed to reopen, however, some of NBC's largest customers include colleges and universities, municipal buildings including public schools, as well as hotels, all of which have been impacted over the past few months.

If NBC cannot increase collections, it could be forced to seek a rate increase at some point, which would compound issues for our customers.

In accordance with the PUC Order, NBC also did not charge \$87,000 in late charges and absorbed approximately \$19,000 in credit card transaction fees in June. NBC also expanded its on-line payment options to include pay by text and is installing a payment kiosk that will allow customers to pay with cash, a service that was suspended due to health and safety concerns associated with COVID-19.

Thus, NBC believes that the Commission should consider lifting the moratorium currently in place.

