

July 6, 2020

BY ELECTRONIC MAIL

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

**RE: Docket 5022 - Suspension of Service Terminations and Certain Collections Activities
During the COVID-19 Emergency
National Grid's Comments and Responses to Request for Information**

Dear Ms. Massaro:

On behalf of National Grid,¹ I have enclosed the Company's responses to the Public Utilities Commission's Request for Information pursuant to its written order dated June 2, 2020 in the above-referenced matter.

Thank you for your attention to this filing. If you have any questions, please contact me at 781-907-2121.

Sincerely,



Raquel J. Webster

cc: Docket 5022 Service List
Jon Hagopian, Esq.
John Bell, Division
Linda George, Division

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

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

IN RE: SUSPENSION OF SERVICE TERMINATIONS AND CERTAIN COLLECTIONS ACTIVITIES DURING THE COVID-19 EMERGENCY	RIPUC Docket No. 5022
---	-----------------------

**NATIONAL GRID'S RESPONSES TO THE RHODE ISLAND
PUBLIC UTILITIES COMMISSION'S REQUEST FOR INFORMATION**

National Grid¹ submits these responses to the Rhode Island Public Utilities Commission's (PUC) request for information in the above-referenced proceeding regarding the suspension of service terminations and certain collections activities during the COVID-19 pandemic (Pandemic).

RESPONSES TO PUC'S REQUEST FOR INFORMATION

National Grid responds to the PUC's questions as follows:

Question 1: Have collections dropped off for residential and nonresidential customers over the past fifteen weeks, compared to prior months and prior years?

Yes. Collections have dropped off for residential and nonresidential customers over the past fifteen weeks compared to prior months and prior years.

Question 2: If so, please quantify the extent of the reduction.

The chart below compares combined data for the gas and electric businesses and compares two key data points between March-June of 2019 against March-June of 2020. Although billed

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

revenue has decreased year-over-year by only 0.2%, cash receipts have dropped by 7.1%, which is driven mainly by the Commercial and Industrial customer segments. Even after accounting for the negligible drop in revenue, cash receipts are down year-over-year by a net \$36.7 million in the 17 weeks since March 1, 2020. This data is taken from the new weekly arrearage report the Company provides to the PUC on a weekly basis.

		Values		Δ Percent	Δ Amount
		Mar-Jun 2019	Mar-Jun 2020	Mar-Jun 2020	Mar-Jun 2019
13	Total Revenue Billed \$ (Line 11 + Line 12)				
	Residential	\$248,860,993	\$272,374,775	9.4%	23,513,782
	Low Income Residential	\$18,995,324	\$14,948,924	-21.3%	(4,046,400)
	Small C&I	\$49,385,998	\$46,778,733	-5.3%	(2,607,265)
	Medium C&I	\$86,753,632	\$77,787,541	-10.3%	(8,966,091)
	Large C&I	\$100,651,689	\$91,570,037	-9.0%	(9,081,652)
	Total	\$504,647,637	\$503,460,010	-0.2%	(1,187,627)
14	\$ Revenue (Payments) Received (2)				
	Residential	\$275,614,208	\$275,365,748	-0.1%	(248,459)
	Low Income Residential	\$18,381,003	\$12,907,100	-29.8%	(5,473,903)
	Small C&I	\$54,621,892	\$47,230,908	-13.5%	(7,390,984)
	Medium C&I	\$89,165,177	\$76,167,205	-14.6%	(12,997,972)
	Large C&I	\$96,993,160	\$85,177,244	-12.2%	(11,815,916)
	Total	\$534,775,440	\$496,848,205	-7.1%	(37,927,234)
21	Collection Effectiveness				
	Residential	65.1%	42.8%	-34.3%	-22.3%
	Low Income Residential	34.5%	12.0%	-65.4%	-22.6%
	Small C&I	81.7%	59.7%	-26.9%	-21.9%
	Medium C&I	88.5%	72.2%	-18.5%	-16.4%
	Large C&I	92.5%	83.4%	-9.8%	-9.0%
	Total	69.6%	62.1%	-10.7%	-7.4%

Question 3: What effect has any such reduction had on the utility's cash flow?

The reduction in collections has had an adverse impact on the Company's cash flow and has caused working capital to increase by \$27.2 million from March 2020 through May 2020. In addition, because of the Pandemic, the Company continues to incur incremental costs such as cleaning costs and personal protective equipment costs to ensure the safety of its employees.

Question 4: Has the utility been unable to meet any obligations, or does it expect to be unable to meet any financial obligations in the next two weeks if it cannot commence termination of service as a collections option.

The Company has been able to meet its obligations and expects to be able to meet all its obligations in the next two weeks if it cannot commence termination of service as a collections option.

Question 5: Provide any information on plans for termination of service for nonpayment absent an extension of this order.

The Company's current focus continues to be "bill health" - helping customers find solutions that help them pay their bill. As described in the Company's COVID-19 Emergency Bill Payment & Customer Assistance Program Plan (Plan), which the Company filed with the PUC on May 15, 2020, the Company is currently focused on a proactive and targeted outreach program to all customer segments to help them find the resources they need to help manage usage, avoid insurmountable debt, and pay their bills, whether in full or through any number of assistance programs. The Company is currently engaged in customer outreach efforts as part of Phase 1 of the Plan. Please see the Plan for additional details regarding the Company's plans for

termination of service absent an extension of the PUC's order. Please note that the Company will submit public comments in this docket on July 7, 2020 to provide more context regarding the Company's customer outreach efforts to date and provide the PUC with additional information that may be useful to the PUC as it considers future decisions in this docket.

Question 6: National Grid shall provide the percentage of collections by rate class for the period commencing March 16, 2020.

The Collection Effectiveness Index is a standard financial metric that assesses how much of a company's collectible receivable were actually collected in a given period. The formula consists of the sum of beginning receivables and monthly credit sales, less ending total receivables. This total is then divided by the sum of beginning receivables and monthly credit sales, less ending current receivables.

The collection effectiveness index by rate class for March to June 2019 and March to June 2020 is included in the table above in the Company's response to Question #2. The collection effectiveness index has fallen year-over-year by 7.4 percentage points, representing a 10.7% drop from the prior index.

As noted in the Company's May 22, 2020 response to the PUC's request for information in this docket, the Collection Effectiveness Index is a ratio of collected monies relative to monies available for collection. Therefore, it is possible to collect more dollars in a given period

compared to another period, while at the same time having a lower Collection Effectiveness Index. In other words, it is possible to have an increased numerator, but if the denominator (available dollars) is higher, that value of the ratio will be lower.

Respectfully submitted,

**The Narragansett Electric Company
d/b/a National Grid**

By its Attorneys,



Raquel J. Webster, RI Bar # 9064
National Grid
40 Sylvan Road
Waltham, MA 02451
(781) 907-2121

July 6, 2020