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August 12, 2020

Mark D. Marini, Secretary  
Department of Public Utilities  
One South Station, 5<sup>th</sup> Floor  
Boston, MA 02110

Re: Inquiry into Establishing Policies and Practices for Electric and Gas Companies – D.P.U. 20-58

Dear Secretary Marini:

On behalf of the Customer Assistance Working Group,<sup>1</sup> enclosed for filing is a *pro forma* Small Commercial Arrearage Forgiveness Program (“AFP”). As discussed in the May 29, 2020 Report (“Report”) to the Department of Public Utilities (the “Department”), the Working Group recommended that a Small Commercial AFP be established to provide relief to financially challenged small commercial customers by assisting customers with arrears that have accrued or increased during the Commonwealth of Massachusetts’ COVID-19 pandemic State of Emergency.

Since filing the Report, the Working Group has continued to develop and refine the Small Commercial AFP. The Small Commercial AFP seeks to encourage small commercial customers to enroll in and successfully complete a payment plan, with a duration of up to 12 months. Since the companies seek to encourage not only enrollment but completion of the payment plan, the Working Group has established a two-credit structure. To incent the customer to enroll, the first credit will be applied upon payment of the first required payment under the payment plan. To encourage completion of the payment plan, the second credit will be applied once the customer makes the final payment in the payment plan. The value of the first and second credits will equal the customer’s April and May bill amount, respectively.

The Distribution Companies present the proposed AFP<sup>2</sup> in the attached pro forma narrative document. The Distribution Companies note below and within the attached document a few AFP elements that will be company-specific, depending on company billing system constraints or unique service territory demographics. If the *pro forma* Small Commercial AFP is approved by

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<sup>1</sup> Fitchburg Gas and Electric Light Company d/b/a Unitil, Massachusetts Electric Company and Nantucket Electric Company, Boston Gas Company and Colonial Gas Company, each d/b/a National Grid, and NSTAR Gas Company and NSTAR Electric Company, each d/b/a Eversource Energy, Bay State Gas Company d/b/a Columbia Gas of Massachusetts, Liberty Utilities (New England Natural Gas Company) Corp. d/b/a Liberty, The Berkshire Gas Company, collectively, the “Distribution Companies”); the Office of the Attorney General (“AGO” or “Attorney General”), the Department of Energy Resources (“DOER”), the National Consumer Law Center (“NCLC”), the Low-Income Energy Affordability Network (“LEAN”) and the Associated Industries of Massachusetts (“AIM”) (together, the “Working Group”).

<sup>2</sup> The AGO, NCLC and DOER do not oppose the filing of the Small Commercial AFP.

the Department, the Distribution Companies propose that each company will file its own company-specific AFP as a compliance filing with the Department. Such Company-specific provisions are proposed are as follows:

► **Enrollment Eligibility Requirements**

Each Distribution Company proposes similar enrollment eligibility requirements for the Program, distinguished only by whether the company serves electric or gas customers, with two exceptions. First, the Berkshire Gas Company (“Berkshire”) has a unique commercial customer base, which includes a significant number of businesses that serve the tourist industry, and are classified for gas service by Berkshire as medium commercial customers for rate design purposes. These customers have experienced economic impacts from the COVID-19 pandemic similar to those of Berkshire’s small commercial customers. As such, Berkshire proposes to include medium commercial customers as potential eligible customers for its AFP. Berkshire will define its medium commercial customers by rate in its compliance AFP filing.

Second, the ability to offer the AFP to gas customers served by third-party suppliers may vary by company, depending on whether a company is able to apply bill credits solely to the distribution portion of a customer’s account.<sup>3</sup>

► **Available Credits**

Each Distribution Company proposes the same methodology for calculating forgiveness credits for eligible customers based on such customer’s April 2020 and May 2020 bills, with one exception. As noted above, Berkshire is proposing to tailor its AFP to include medium commercial customers, including medium commercial customers that serve the tourist industry. Like many gas customers, customers that serve the tourist industry in Berkshire’s service territory tend to incur higher gas costs during the winter heating season. As such, Berkshire is proposing to use the highest bill month within the previous 12-month period for calculating forgiveness credits for its eligible small and medium commercial customers.

► **Reinstatement in AFP If Customer Fails to Meet Payment Plan Requirements**

Eversource has company-specific billing constraints that will not allow an AFP participant that fails to meet AFP payment plan requirements from being reinstated in the AFP. AFP participants that fail to meet Eversource’s AFP payment plan requirements may be authorized to participate in another company payment plan.

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<sup>3</sup> For example, National Grid would exclude from participation in its Small Commercial AFP a limited group of small commercial gas customers, *i.e.*, transportation customers that are single-billed. As there is no purchase of receivables program for gas, third-party suppliers (on whose behalf the Company bills) would not receive payment until the Company’s arrears are covered. To avoid negatively impacting the suppliers, National Grid does not offer payment arrangements to gas transportation customers that are single-billed

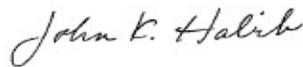
► **Customer Outreach**

The Distribution Companies may use various tools to promote the AFP, including email, mail, updated IVR messaging, a company's website and/or targeted outreach to customers that communicate with the company through in-bound calls. The use of these tools will be Company specific based on each company's outreach strategy.

Given that many small commercial customers are financially challenged during the COVID-19 pandemic, the Working Group is eager to begin offering the Small Commercial AFP. As such, the Working Group respectfully requests an expeditious review of the *pro forma* Small Commercial AFP. If the Department determines a technical session may expedite Department review of the proposal, Distribution Company representatives will be available to participate in a technical session to answer any stakeholder or Department questions on the enclosed document.

Thank you for your attention to this matter. Please contact me with any questions you may have regarding this filing.

Sincerely,



John K. Habib, Esq.

Enclosures

cc: Rachel Cottle, Esq. – Hearing Officer  
Elizabeth Anderson, Esq. – Office of the Attorney General  
Robert Hoagland, Esq. – Department of Energy Resources  
Charles Harak, Esq. - National Consumer Law Center  
Jerrold Oppenheim, Esq. – LEAN  
Robert Rio – Associated Industries of Massachusetts