

**COMMONWEALTH OF MASSACHUSETTS**  
**DEPARTMENT OF PUBLIC UTILITIES**

---

Inquiry of the Department of Public Utilities into	)	
Establishing Policies and Practices for Electric and Gas	)	
Companies Regarding Customer Assistance and	)	D.P.U. 20-58
Ratemaking Measures in Connection to the	)	
State of Emergency Regarding the Novel	)	
Coronavirus (COVID-19).	)	
	)	

---

**SECOND UPDATED REPORT OF THE CUSTOMER ASSISTANCE WORKING GROUP**

**I. INTRODUCTION**

On May 11, 2020, the Department of Public Utilities (“Department”) issued a Notice of Inquiry (“NOI”) to establish policies and practices regarding customer assistance and ratemaking measures for electric and gas companies in response to the effects of the novel coronavirus (“COVID-19”) pandemic. The NOI established a Customer Assistance and Ratemaking Working Group<sup>1</sup> (“Working Group”) to assist the Department in establishing appropriate policies and practices. The Department docketed this matter D.P.U. 20-58.

The Department directed the Working Group to first address the Department’s priority to establish customer assistance policies and practices and file a report with consensus recommendations by May 29, 2020 (NOI at 5). The Department also sought a consensus

---

<sup>1</sup> The Department included the following organizations in the Working Group: Fitchburg Gas and Electric Light Company d/b/a Unital (“Unital”), Massachusetts Electric Company and Nantucket Electric Company, Boston Gas Company and Colonial Gas Company, each d/b/a National Grid (“National Grid”), and NSTAR Gas Company and NSTAR Electric Company, each d/b/a Eversource Energy (“Eversource”), Bay State Gas Company d/b/a Columbia Gas of Massachusetts (“CMA”), Liberty Utilities (New England Natural Gas Company) Corp. d/b/a Liberty (“Liberty”), The Berkshire Gas Company (“Berkshire Gas”)(collectively, “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”).

ratemaking proposal that would both support the Working Group’s customer assistance initiatives and maintain the financial integrity of the utilities in light of the COVID-19 pandemic (id. at 10).

On May 29, 2020, the Working Group filed a consensus customer assistance report (“First Report”) with several recommendations and open items to continue discussing as a working group. On June 26, 2020, the Department issued D.P.U. 20-58-A approving the Working Group’s customer outreach component of the First Report. Further, the Order directed the Working Group to continue discussing open items and to provide the Department with “periodic reports that identify such information as additional details, specific timelines, revisions, and any new approaches, including plans to progress to a new phase of the four-phase general plan at least ten business days prior to each progression” (D.P.U. 20-58-A at 8). The Department directed the Working Group to file its first updated report by July 30, 2020 and updated reports at two-week intervals thereafter (id. at 8). The distribution company members of the Working Group filed the first updated report on August 4, 2020.

On July 31, 2020, the Department issued D.P.U. 20-58-B approving the Working Group’s proposals related to the extended payment plans and waiver of late fees, extended plan under available arrearage management plans (“AMPs”), and continuation of the Shut-Off Moratorium detailed in the First Report (D.P.U. 20-58-B at 13). The Department directed the Working Group to provide several items in its next updated report, including:

- Clarifying whether the references to C&I customers in the first section of the First Report applies to all C&I customers or a subset of C&I customers (i.e. small or large) (id. at 6, n. 11; 7, n. 15);
- Providing the given grace period for an extended payment plan (id. at 6, n.12)

- factors that the Distribution Companies will apply in determining whether or not to reinstate a breaching customer to an extended payment plan (id. at 7, n. 13); and
- identification of the Distribution Companies that are able and unable to reinstate customers with modifications to billing systems or use of manual procedures (id. at 7, n. 13).

The distribution company members<sup>2</sup> of the Working Group hereby submit the following updated report addressing several of the directives outlined in D.P.U. 20-58-B.

## **II. DEPARTMENT DIRECTIVES**

### **A. C&I Clarification**

The Department directed the Working Group to clarify whether the references to C&I customers in the first section of the First Report applies to all C&I customers or a subset of C&I customers (i.e. small or large) (D.P.U. 20-58-B at 6, n. 11; 7, n. 15).

The Distribution Companies clarify that the first section of the First Report applies to all C&I customers unless a specific subset of C&I customers is mentioned. Specifically, the references to C&I customer payment plans apply to all C&I customers, albeit with small commercial customers being the main focus. Payment plans will be offered to large C&I customers on a case-by-case basis.

### **B. Grace Period & Breaches**

The Department had several questions regarding the following paragraph in the Working Group Report:

If a customer breaches an extended payment plan during the offering window, the customer may be placed back on an extended payment plan. However, for certain

---

<sup>2</sup> The Working Group was provided a copy of the second update to the Report on August 20, 2020. The AGO, AIM, and DOER do not oppose the filing of this second update to the Report. Given the limited review time provided to the Working Group, NCLC and LEAN did not provide comments on the second update to the Report but may file comments regarding the second update to the Report with the Department.

Distribution Companies, if a customer breaches the extended payment plan after the offering window has closed and the customer has not cured the breach within the given grace period, the customer will be placed onto a business-as-usual payment plan. At this time, certain Distribution Companies are unable to place defaulting customers back on extended payment plans without modifying their respective billing systems or placing customers back on payment plan without a manual process.

D.P.U. 20-58-B citing First Working Group Report at 11.

First, the Department directed the Working Group to provide the given grace period for customers that breach an extended payment plan (D.P.U. 20-58-B at 6, n.12). In addition, the Department ordered the Working Group to provide the following in its next Updated Report: (1) factors that the Distribution Companies will apply in determining whether to reinstate a breaching customer to an extended payment plan and (2) identification of the Distribution Companies that are able and unable to reinstate customers with modifications to billing systems or use of manual procedures (id. at 7, n. 13).

1. Grace Periods for Customers to Cure Payment Breaches

As stated above, the Department directed the Distribution Companies to clarify the given grace period for a customer who breaches an extended payment plan. Each Distribution Company has its own unique terms for breach of a payment plan and opportunity to cure. For Berkshire Gas, customers participating in a deferred payment plan must make each payment prior to the next invoice to prevent breaching the terms of the deferred payment agreement. For Liberty, a customer who misses a payment must make up the missed payment prior to the next billing cycle.

For Unitil, once a plan payment is not received by the due date, the plan is removed the following business day. However, Unitil will work with the customer to make up the missed payment and reinstate the original plan or craft a new payment plan that will meet the customer needs and clear up the arrears.

For CMA, if a customer wishes to reinstate their payment plan after it has failed, they can do so by making up the missed payment right up to the day the shut off order is created at 3 business days prior to shut off and the agreement will be reinstated. If the customer wishes to reinstate the agreement after the shut off date has passed, they may do so by making up all missed payments within the term for which that the payment plan was established. In this situation, the customer must contact CMA and when the payment is made and the payment plan can be re-instated manually by a call center representative.

An Eversource customer who misses a payment plan due date has at least five days post payment due date to make up the missed payment prior to the plan being breached. After the payment plan is breached, the customer may receive a disconnect notice. Typically, the disconnect notice prompts the customer to make a payment or enroll in a new payment plan.

For National Grid, the customer is able to restore the plan for the duration of the plan term. For example, if they have a six-month plan and miss five payments, the customer can restore the plan if the customer pays the five installments in arrears. If the customer goes six months without payment, the pay plan terminates.

As stated in the First Report, the Distribution Companies will continue to offer the extended payment plans for residential customers for up to 90 days after the Shut Off Moratorium has been lifted. For Commercial customers, the Distribution Companies<sup>3</sup> will continue to offer extended payment plans for up to 60 days after the Shut Off Moratorium has been lifted. Extended payment plans may continue to be offered afterward on a case-by-case basis.

---

<sup>3</sup> National Grid will continue to offer the extended payment plans to both Residential and C&I customers for 90 days after the Shut Off Moratorium has been lifted. Berkshire Gas will continue to offer the extended payment plans for all customers through March 31, 2021. Given that many customers may not realize the financial impact of COVID-19 until the end of the winter heating season, Berkshire Gas has determined a longer offering is advantageous for its customers.

Once these offering windows have closed, a customer may or may not be able to be reinstated on a given Distribution Company's extended payment plan. For Berkshire Gas, Until, CMA, Liberty, and National Grid, there is no distinction between a breach during or after the offering window. For Berkshire, Until, CMA, Liberty, and National Grid, once the customer has been established on an extended payment plan the companies would allow reinstatement at any point the customer is able to make up the missed payment(s) and complete the extended payment plan within the original repayment terms (reinstate with same payment amount and plan completion date).

For Eversource, if a customer does not cure the missed payment within the five days following the missed payment, the payment plan is considered breached. If the payment plan is breached while the offering window is still open and the customer is interested in enrolling in a new payment plan, Eversource will manually calculate and work with customers to make up missed payment(s) and then can enroll the customer in the extended payment plan for the remaining length of the breached plan or extend the new plan for 12 months. If the customer breaches the extended payment plan after the offering window has closed and the customer is interested in enrolling in a new payment plan, Eversource will enroll the customer in a new business-as-usual payment plan.

## 2. Factors To Be Used in Determining Whether to Reinstate a Breaching Customer

Further, the Department directed the Working Group to provide factors that the Distribution Companies will apply in determining whether or not to reinstate a breaching customer to an extended payment plan (D.P.U. 20-58-B at 7, n. 13). The Distribution Companies will consider the customer's circumstances, such as their impact from COVID-19, including loss of job/hours, etc., prior to making a determination whether to reinstate the customer to an extended

payment plan. Additionally, Liberty and CMA will consider the customer's payment history prior to COVID-19 and while on the extended payment plan.

3. Companies Able to Reinstate Customers to Payment Plans

Lastly, the Department asked the Distribution Companies to identify which of the Distribution Companies are able and unable to reinstate customers with modifications to billing systems or use of manual procedures (D.P.U. 20-58-B at 7, n. 13). Unitil, Berkshire Gas, Liberty, CMA and National Grid will use existing systems and procedures to reinstate a customer.

Due to system limitations, Eversource is unable to reinstate a customer who has breached an extended payment plan. However, if the breach occurs during the offering window, Eversource will offer and enroll the customer in a new extended payment plan.

**C. National Grid Clarification**

The Department seeks further clarification on which distribution companies within the National Grid System adopted the forgiveness amounts provided in the First Report (D.P.U. 20-58-B at 10, n. 21). National Grid clarifies that the increase from \$4,000 to \$12,000 applies to all of National Grid's Massachusetts operating companies, gas and electric, and will be implemented on or about September 15, 2020.

**IV. CONCLUSION**

The distribution company members of the Working Group appreciate the Department's inquiry into customer assistance matters related to COVID-19 and the opportunity to work collaboratively to produce this second updated report.

Dated: August 21, 2020