

Information Request DPU 2-9

Request:

Discuss the costs associated with, and the operational feasibility of, returning LI customers to default service.

Response:

National Grid has not performed the analysis required to develop an estimate of the cost of returning all low-income customers currently with competitive gas suppliers to default service. With respect to the operational feasibility of such an exercise, returning approximately 75,000 customers to default service would be a labor-intensive effort as it would be performed manually and would likely involve several complex processes and decisions.

- The definition of low-income needs to be determined. For example, whether the definition is limited to customers on the R-2 and R-4 low-income rates, or whether customers receiving some form of assistance should also be included.
- Whether returning customers to default service would be at the option of low-income customers. Certain low-income customers may object to or decline to be returned to default service.
- Customer drops would be required to be processed on a customer's meter read cycle, therefore, all customers would not be dropped on a specific date.
- When manually dropping customers, no EDI transaction is processed, therefore, a mechanism for communication to suppliers needs to be considered.
- Customer messaging should be taken into account.
- Customers who are enrolled with a competitive supplier and later become low-income customers need to be considered, as well as customers who are dropped because they were on the low-income rate, if they subsequently transfer onto the R-1 or R-3 rates.

Processing the return of low-income accounts to default service via a supplier-initiated EDI transaction is feasible. National Grid's system is designed to process drops in this manner and processing drops via EDI is the preferred Electronic Business Working Group process. There is a cost to the local distribution company for EDI transactions.