

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 Ratemaking Measures in)
Connection to the State of Emergency)
Regarding the Novel Coronavirus (COVID-19))
Pandemic.)
_____)

D.P.U. 20-58-C

**MOTION OF NATIONAL GRID TO EXTEND THE SMALL COMMERCIAL
ARREARAGE FORGIVENESS PROGRAM**

Massachusetts Electric Company and Nantucket Electric Company, Boston Gas Company and the former Colonial Gas Company,¹ each d/b/a National Grid (“National Grid”), pursuant to 220 C.M.R. 1.02(5) and 220 C.M.R. 1.04(5), hereby requests approval to extend the Small Commercial Arrearage Forgiveness Program (“AFP”) through September 30, 2021.

I. BACKGROUND

On May 11, 2020, the Department of Public Utilities (“Department”) issued a Notice of Inquiry into establishing policies and practices for electric and gas companies regarding customer assistance and ratemaking measures in connection to the State of Emergency regarding the novel Coronavirus (“COVID-19”) Pandemic (“NOI”). The NOI directed the Working Group² to create a Customer Assistance Report followed by a consensus ratemaking proposal to support customer

¹ Colonial Gas Company was merged into Boston Gas Company as of March 15, 2020, as approved in D.P.U. 19-69.

² The Working Group is comprised of National Grid, Fitchburg Gas and Electric Light Company d/b/a Unitil, NSTAR Gas Company, NSTAR Electric Company, and Eversource Gas Company of Massachusetts each d/b/a Eversource Energy, Liberty Utilities (New England Natural Gas Company) Corp. d/b/a Liberty, and the Berkshire Gas Company (collectively the “Distribution Companies”), the Office of the Attorney General, the Department of Energy Resources, the National Consumer Law Center, the Low-Income Energy Affordability Network, and the Associated Industries of Massachusetts (together, the “Working Group”).

assistance initiatives and to maintain the financial integrity of the utilities in response to COVID-19. The Working Group submitted the Customer Assistance report on May 29, 2020, which was approved on July 31, 2020. D.P.U. 20-58-B.

On August 12, 2020, the Distribution Companies submitted a *pro forma* Small Commercial AFP. On September 3, 2020, the Department issued D.P.U. 20-58-C approving the Working Group's proposed Small Commercial AFP, and on October 15, 2020, the Department stamp approved the Distribution Companies' individual compliance filings, including the Company's. On December 11, 2020, the Distribution Companies filed a Motion to Extend the Small Commercial AFP through April 1, 2021 and, on December 22, 2020, the Department stamp-approved the Motion to Extend. On March 30, 2021, the Distribution Companies sought approval to further extend the Small Commercial AFP through June 30, 2021, which the Department stamp-approved on April 2, 2021.

II. NATIONAL GRID'S REQUEST TO EXTEND THE SMALL COMMERCIAL AFP

The Small Commercial AFP was designed to assist Massachusetts customers with arrears that have accrued or increased during the COVID-19 pandemic. The Small Commercial AFP encourages small commercial customers to enroll in and successfully complete a payment plan, with a duration of up to 12 months. The 'two-credit' structure of the Small Commercial AFP encourages initial enrollment in the plan and completion of the payment plan. To incentivize enrollment, the first credit is applied upon payment of the first required payment, and to encourage completion of the payment plan, the second credit is applied once the customer makes the final

payment. The value of the first and second credits equal the customer’s April and May bill amounts, respectively.

The Small Commercial AFP is currently set to expire for all of the Distribution Companies on June 30, 2021 (D.P.U. 20-58, Motion to Extend Stamp Approved (April 2, 2021)). Given the ongoing pandemic and continued economic distress, National Grid hereby requests approval to extend the AFP to continue to enroll customers for three additional months. The table below provides the Company’s Small Commercial AFP enrollment data:

Small Commercial AFP Enrollment Data

Small Commercial AFP Data Points	Q4 2020	Q1 2021	Q2 2021	Total to Date
Number of Accounts Enrolled in AFP as of last day of Quarter	636	1,467	2,009	2,103
Number of NEW Accounts Enrolled in AFP During Quarter*	2,045	1,878	36	3,959
Forgiveness Credits Given During Quarter	\$321,009	\$548,856	\$58,444	\$928,309
Number of Accounts Successfully Completed AFP Program During Quarter	56	32	136	224

* does not include reinstatements

In addition, the following provides a comparison of National Grid’s 60-day arrears for commercial customers for the month of May for each of 2019, 2020 and 2021:

60-Day Arrears Count				Percentage Increase	
Month	2019	2020	2021	2021 vs 2019	2021 vs 2020
May	22,689	31,945	23,088	2%	-28%

(\$M)	60-Day Arrears Dollars			Percentage Increase	
Month	2019	2020	2021	2021 vs 2019	2021 vs 2020
May	\$31.2	\$51.4	\$54.4	74%	6%

While the AFP enrollment data indicates that 2nd quarter 2021 enrollments in the program are low compared to 4th quarter 2020 and 1st quarter 2021, the Company anticipates an increase in enrollments in the 3rd quarter 2021 if the Small Commercial AFP is extended. National Grid has not yet issued disconnection notices or resumed collections activities for commercial accounts in industries that are considered “highly impacted” by the COVID-19 pandemic, such as restaurants, bars and hair salons. Accordingly, as this pool of customers has not faced disconnection for the duration of the pandemic, many have likely not considered the benefits of enrolling in the Small Commercial AFP. As disconnection noticing of approximately 12,000 of these accounts is scheduled to commence in July, the Company believes continuing to offer the Small Commercial AFP in the 3rd quarter of 2021 will incentivize many of these customers to take advantage of the program and avoid disconnection of their service.

As many small businesses continue to struggle financially, the Small Commercial AFP continues to be an important customer assistance tool that will assist customers with managing

their utility bills while rebuilding their businesses. Therefore, the Company requests an extension of the Small Commercial AFP through September 30, 2021. Extending the Small Commercial AFP through September 30, 2021 will allow the Company to continue providing meaningful assistance to Small Commercial customers throughout the upcoming months, as they return to normal business activity.

III. CONCLUSION

National Grid respectfully requests approval to extend the Small Commercial AFP September 30, 2021. The Office of the Attorney General, the Department of Energy Resources, the National Consumer Law Center, the Low-Income Energy Affordability Network, and the Associated Industries of Massachusetts have authorized the Company to represent that they do not object to the motion. The Distribution Companies have also indicated that they either do not oppose the motion, or have raised no objection.

Respectfully submitted,

**MASSACHUSETTS ELECTRIC COMPANY,
NANTUCKET ELECTRIC COMPANY,
BOSTON GAS COMPANY AND (the former)
COLONIAL GAS COMPANY, each d/b/a
NATIONAL GRID**

By its attorney,



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