



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

MEMORANDUM

TO: Distribution List (e-mail only), Policies and Practices Regarding Customer Assistance and Ratemaking Measures in Connection to the State of Emergency Regarding the Novel Coronavirus (COVID-19), D.P.U. 20-58

FROM: Susan L. Geiser, Hearing Officer

RE: Distribution Companies' Request as to Quarterly Reporting of the Small Commercial Customer Arrearage Forgiveness Program

DATE: March 27, 2023

CC: Mark D. Marini, Department Secretary

I. INTRODUCTION

On January 13, 2023, the Distribution Companies¹ submitted to the Department of Public Utilities ("Department") their fourth quarter 2022 report on the Small Commercial Arrearage Forgiveness Program ("AFP"). The Distribution Companies requested that the

¹ The Distribution Companies are: Fitchburg Gas and Electric Light Company d/b/a Unutil; Massachusetts Electric Company, Nantucket Electric Company, and Boston Gas Company, each d/b/a National Grid; 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 Utilities; and The Berkshire Gas Company. 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-D/D.P.U. 20-91 Interim Order on Ratemaking Proposal And Order Opening Investigation at 1 n.1 (December 31, 2020).

Department advise whether the quarterly reporting of their AFPs still is required, given that the Distribution Companies have ceased enrollment in the AFP and have no active customers (January 13, 2023 Cover Letter at 1).

II. BACKGROUND

A. Inquiry Related to Customer Assistance and Ratemaking In Response to COVID-19 Pandemic

On May 11, 2020, the Department opened this inquiry into establishing policies and practices regarding customer assistance and ratemaking measures for jurisdictional electric and gas companies in response to the effects of the novel coronavirus (“COVID-19”) pandemic. 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 (May 11, 2020) (“NOI”). The Department established the Customer Assistance and Ratemaking Working Group (“Working Group”)² to assist the Department in establishing appropriate policies and practices relating to the customer assistance and ratemaking measures. NOI at 4. Regarding potential customer assistance measures, the Department requested that the Working Group deliberate over

² The Working Group was initially comprised of the following members: (1) 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; 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 Utilities; The Berkshire Gas Company; and Blackstone Gas Company (together “Distribution Companies”); (2) the Massachusetts Office of the Attorney General (“Attorney General”); (3) the Massachusetts Department of Energy Resources (“DOER”); (4) the National Consumer Law Center (“NCLC”); (5) the Low-Income Energy Affordability Network; and (6) the Associated Industries of Massachusetts. D.P.U. 20-58-A at n.2 (June 26, 2020). Subsequent to the initial establishment of the Working Group, the Department approved a transaction whereby, among other things, (a) Eversource Energy purchased substantially all of the assets of Bay State Gas Company from NiSource, Inc. and (b) Eversource Energy established Eversource Gas Company of Massachusetts. Eversource Energy, NiSource, Inc., Bay State Gas Company, Eversource Gas Company of Massachusetts, D.P.U. 20-59/D.P.U. 19-140/D.P.U. 19-141 (2020). Also, Liberty Utilities acquired Blackstone Gas Company. Liberty Utilities (New England Natural Gas Company) Corp. Acquisition of Blackstone Gas Company, D.P.U. 20-03 (2020).

certain proposals, including one for extended arrearage management plans, with a goal to develop consensus recommendations for the Department. NOI at 7-8.

B. Small Commercial Arrearage Forgiveness Program

On August 12, 2020, the Working Group submitted a pro forma AFP intended to encourage small commercial customers to enroll in and successfully complete a payment plan with a duration of up to twelve months (August 12, 2020 Cover Letter at 1). The encouragement would be the reduction of the amount of accrued arrearages of eligible small commercial customers and a prohibition on late payment charges and disconnection for the duration of the customer's payment plan (AFP, §§ A- C).³ On September 3, 2020, the Department approved the pro forma AFP, and required each Distribution Company to make a compliance filing consistent with the pro forma AFP. D.P.U. 20-58-C at 8, 10 (2020).⁴

1. Term of the AFP

The Department determined that the AFP would be available until December 31, 2020 (or March 31, 2021 for The Berkshire Gas Company), but that a Distribution Company could seek an extension of its AFP. D.P.U. 20-58-C at 3, 8. The AFP was extended through April 1, 2021 (D.P.U. 20-58, Stamp-Granted Joint Motion to Extend the AFP (December 22, 2020)), and later through June 30, 2021 (D.P.U. 20-58, Stamp-Granted Joint Motion to Extend the AFP (April 2, 2021)). The Department granted National Grid an extension of its AFP through September 30, 2021. D.P.U. 20-58, Stamp-Granted Motion of National Grid to Extend the AFP (June 30, 2021).

2. AFP Reporting Requirements

The Department directed the Distribution Companies to submit quarterly reports to the Department which would contain specific information regarding each Distribution Company's AFP. D.P.U. 20-58-C at 6, 8, 10. The Distribution Companies have continued submitting

³ The Working Group represented that the Attorney General, DOER, and NCLC did not oppose the filing of the AFP (August 12, 2020 Cover Letter at n.2).

⁴ The Department determined that it would review company-specific differences from the pro forma AFP in the compliance filings. D.P.U. 20-58-C at 8. On October 15, 2020, the Department stamp approved the Distribution Companies' individual compliance filings.

quarterly reports through the fourth quarter of 2022; with the next quarterly report due after the close of the first quarter of 2023.

III. DETERMINATION OF AFP REPORTING REQUIREMENTS

Having conferred with the Commission regarding the Distribution Companies' request to cease the quarterly reporting of the AFPs, the Department determines that, effective immediately, the Distribution Companies are not required to file AFP quarterly reports with the Department. The Department makes this determination based on (1) the expiration of the extended term of the AFP as documented above; and (2) the Distribution Companies' representations that they have ceased enrollment in the AFP and have no active customers in the AFP (January 13, 2023 Cover Letter at 1); see, e.g., Distribution Companies' Fourth Quarter 2022 Report on the AFP (January 13, 2023). The Department may revise this discontinuation of AFP reporting as warranted by changed circumstances.