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October 5, 2010

Mr. Douglas DiCeglio, President
Utility Rate Analysis Consultants (URAC)
156 Scranton Avenue
Lynbrook, NY 11563

Re: Consultant Case #: 915060
Kaled Management, Et Al
National Grid Various Accounts

Dear Mr. DiCeglio:

This is in response to your complaint, Case Number 915060, concerning the difficulty you are experiencing with National Grid.

At our request, National Grid responded directly to the points in your complaint. We have reviewed the enclosed information and have found that National Grid has provided the necessary information to address your concerns and we have determined the utility's response is correct.

In May 2009 you contacted this office to request assistance with billing concerns regarding National Grid gas customers that are receiving service under the Service Classification (SC) 6M – Multifamily “Temperature Controlled Sales Rate”. The scope of this determination will concern the sixty-six (66) customers that are your clients in this matter and listed in the letters of authorization you provided.

The issues you requested be reviewed regard:

- 1) Whether National Grid’s billing is in violation of the language in Tariff Leaf 37, specifically, “Whenever a rate change or new Monthly Cost of Gas becomes effective during a billing period, unless otherwise specified, the

Company will prorate the difference in billing under the old and new rates on the basis of the number of days within the billing period from and after the effective date related to the total number of days in the billing period.

My review of the Tariff language in Tariff Leaf 37, finds that, as written, the company has adhered to the current spirit of the language contained therein. However, based on your clients' concerns, Staff is working with National Grid to modify Tariff 37 and also adding language regarding the description and clarification of the "base and slope" methodology for determining a customer's monthly usage and billing in Tariff Leaves 217 – 223 "Service Class 6M"

2) I have also reviewed your additional concerns regarding bill format and modification to National Grid's tariff language to clarify the base and slope method National Grid uses to bill its 6M customers. The bill format is complex and would benefit from additional clarification in both tariff language defining and explaining its methodology and in bill format, allowing customers to review and/or examine their bills to be able to ascertain how the total billing for gas usage was arrived at by the company. Currently, customers who cannot understand the charges on their bills would need to contact the company to have the charges explained or request written breakdowns of the calculations. The bill format can only be altered by way of Public Service Commission (Commission) approval in a future rate case and then only if the Commission's review finds that a change in the bill format is necessary.

3) My review of the billing of the accounts contained in this complaint has found that the billing of customers using the "base and slope" methodology is beneficial or negligibly different from billing in accordance to degree days or calendar days for the majority of your clients, with 50 of 66 billing at within plus or minus 9 dollars of the degree day or calendar day calculations. Of the remaining 16 customers, 15 fall into categories of between 10 and 110 dollars more per two year period or between \$0.41 and \$4.50 more per month. One customer benefitted from the base and slope rate and received a bill that was lower by \$980.00 to \$1,416.00 compared to the degree day and calendar day methods, respectively.

Based on my review of the information provided by National Grid, the current tariff language and the account usage and billing history, I have determined that National Grid has acted in accordance with the effective tariff language and is aware of the concerns regarding the base and slope methodology and the limited ability of customers to understand and calculate their charges.