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May 15, 2003

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Boston Edison Company, D.T.E. 02-80A

Dear Secretary Cottrell:

Enclosed for filing in the above-referenced matter is the response of Boston Edison Company d/b/a NSTAR Electric ("Boston Edison") to Information Request DTE-5-6, including Attachment DTE-5-6(a). Please note that Boston Edison is seeking protective treatment for Attachment DTE-5-6(b) and has submitted that attachment under separate cover with a Motion for Protective Treatment.

I have also enclosed a certificate of service. Thank you for your attention to this matter.

Very truly yours,

David S. Rosenzweig

Enclosures

cc: William Stevens, Hearing Officer
Judith Laster, Assistant Attorney General

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Boston Edison Company	)	D.T.E. 02-80A

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the Department of Telecommunications and Energy, and counsel for all parties, by hand or first class mail, in accordance with the requirements of 220 C.M.R. 1.05 (the Department's rules of Practice and Procedure).

David S. Rosenzweig, Esq.
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Dated: May 15, 2003

Information Request DTE-5-6

Reference the Company's Response to IR-DTE-2-4, Att. 1, "Plaintiff's Memorandum in Support of Motion for Preliminary Approval of Settlement Agreement" at 6-7. Please explain the results of any further research to determine the group of non-identified BECo class members that may have been mis-classified as default service customers. If BECo subsequently reclassified some of its customers, indicate the total costs associated with the reconciliation of standard offer and default service for these reclassified customers. Provide complete and detailed documentation to support your response.

Response

The Company undertook an exhaustive search of its computerized customer files to identify and evaluate customers that may have been inadvertently mis-classified as Default Service customers. The Company's call centers responded to inquiries from customers regarding their rate status, investigating each such individual inquiry, as described in the transcript of the deposition of Lauren A. Foley, the then-current Director of the Call Centers (Attachment DTE-5-6(a), pages 30-38). NSTAR Electric (including Cambridge Electric Light Company and Commonwealth Electric Company) received over 11,000 inquiries on the issue. Of these, 2,338 were pre-qualified as potentially eligible candidates requiring further investigation by the Company. As a result of this investigation, a total of 700 additional Boston Edison customers were identified and returned to Standard Offer Service. Based on an average credit of $61 per customer, these 700 customers received credits of approximately $42,700. A listing of the 700 additional Boston Edison customers who were switched to Standard Offer Service is appended as Attachment DTE-5-6(b).

Please note that Attachment DTE-5-6(b) contains confidential data regarding certain Boston Edison customers (i.e., names and addresses) and, as such, is subject to a motion for a protective treatment filed with the Hearing Officer and the Non-Disclosure Agreement executed between the Company and the Attorney General in this proceeding.

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1 of electricity, we took 500 kilowatthours times the
2 default service price that was in effect at that
3 time, created a credit for that, and then created a
4 new bill for 500 kilowatthours at the standard-offer
5 service price in effect at that time.
6 Q. And because the standard-offer service
7 price was lower, that would result in a credit to
8 each customer's bill?
9 A. Yes, that's correct.
10 Q. And that credit was issued going back to
11 the date on which the standard-offer service price
12 and the default service price diverged?
13 A. That's right.
14 Q. And that date is December 1st of 2000?
15 A. Yes, that's correct.
16 Q. So for each month from December 1, 2000,
17 until the correction was made, there would be a
18 credit that was applied to that customer's bill?
19 A. Yes, that's correct.
20 Q. And that credit was provided to 24,000
21 customers more or less who were identified as having
22 been misclassified?
23 A. Yes, that's true.
24 Q. Can you give me an approximate amount of

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1 the total amount of credits that have been issued to
2 date?
3 A. Issued to date is approximately $1.4
4 million in credit. What we project with the
5 remaining 700 or so customers who we're still
6 looking at, somewhere on a scale of $50,000 more in
7 credits may be coming. And they will follow the
8 exact same process. We will cancel their bills back
9 to November 1st and reissue them new bills on the
10 lower prices.
11 Q. When you issued the credit, did you send
12 any explanatory information to the customer?
13 A. Yes. We first sent them a letter
14 notifying them about the lawsuit and notifying them
15 that, based on a preliminary review, we determined
16 when they were eligible for it. And the letter told
17 them they didn't need to do anything to get the
18 credit, that it would automatically appear on their
19 bill. And then within a week after receiving that
20 letter, we sent them a corrected bill showing all of
21 the adjustments that were made. And we also told
22 them that the credit could be used towards future
23 service. And for most of our customers the credit
24 ranged around 50 to 60 dollars, which is an average

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1 bill for us. So for most customers it just wiped
2 out their next month's bill. If it happened to be a
3 little more than that, it would be used toward the
4 next subsequent month's bill.
5 Q. When you sent out the letter and issued
6 the credits, did you get any telephone calls from
7 customers with inquiries about what was going on?
8 A. We certainly got a few, but not enough to
9 track or make some kind of a campaign. Mostly it
10 was curiosity, how did you find me and that sort of
11 thing.
12 Q. Again, I'm going to ask Mr. Griffin a
13 series of questions about exactly how this group of
14 24,000 customers was identified, but there are a
15 couple questions I think I need to ask you as a
16 predicate to what I have to ask Mr. Griffin.
17 A. Okay.
18 Q. The people who were identified were
19 identified using existing records of the NSTAR
20 companies. Is that right?
21 A. That's right.
22 Q. And it was a fairly tortured process of
23 figuring out who was eligible for standard-offer
24 service because the records that were available

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1 don't show the prior address of an existing
2 customer. Is that correct?
3 A. Not a hundred percent of the time. It is
4 voluntary; the customers don't have to provide that
5 information at a point of application for a new
6 service. So in the cases where the customers did,
7 the data was there. But certainly less than half
8 the time was the data there.
9 Q. And what that meant was that it was
10 difficult to simply go into a particular record and
11 determine if someone had been a standard-offer
12 customer of NSTAR from the existing customer service
13 records?
14 A. That's true. What we found to be a much
15 more reliable indicator were Social Security numbers
16 or federal tax ID numbers in the case of commercial
17 accounts.
18 Q. And that is because you were matching one
19 account to a different account that was also in the
20 customer service records. Is that right?
21 A. That's right.
22 Q. Rather than getting the information out of
23 a single account, because when somebody sets up a
24 new account at a new address you open up a new

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1 customer service record. Is that right?
2 A. Yes. Our billing system, although we
3 track individual customers, is much more a meter-
4 point billing system; and anytime you move, if you
5 move to a new home, you get a brand-new account
6 number that correlates all the usage at that
7 particular apartment or house. So it's not like a
8 bank where I would keep my checking account number
9 no matter where I moved. Since the account number
10 changed every time, we needed customer-specific
11 information, either a Social Security number or
12 name, to be able to match them up.
13 Q. To be able to match up one record to
14 another record --
15 A. That's right.
16 Q. -- which was a standard-offer service
17 record?
18 A. Yes.
19 Q. Now, is it the case that even after
20 finding the 24,000 people who were misclassified,
21 there is some possibility that because data is
22 incomplete, that there are others who may still be
23 entitled to standard-offer service who are being
24 charged for default service?

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1 A. Yes, it is possible. We are in the
2 process right now of another round of notification
3 mailings to all our default service customers
4 educating them about the lawsuit and what their
5 rights are and going through so the customers can do
6 a little bit of a self-screen, going through some
7 information about how to determine if they're on the
8 right rate or not.
9 We also send out a quarterly notification
10 of what our default service prices are to every
11 customer in their bill, and part of that includes
12 the conditions of why someone would be billed at
13 default service rates.
14 For those particular customers who call
15 us, we would just as a matter of customer service
16 correct their rate, go through the exact same
17 process, cancel all the bills that were on default
18 service and reissue new bills under standard-offer
19 pricing.
20 Q. Before we talk about who might still be
21 misclassified, we agree that there is a large group
22 of customers who are absolutely legitimately default
23 service customers and who are required under the law
24 to pay default service rates?

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1 A. Yes, we do.
2 Q. And what we're looking for is the
3 relatively small number of those customers who might
4 based on their circumstances be entitled to the
5 standard-offer rate?
6 A. Yes, that's correct.
7 Q. And it is the case that notice about this
8 lawsuit and information about misclassification
9 circumstances went out to the entire group of
10 default service customers?
11 A. Yes, it has, in addition to some media
12 coverage and questions that we've really trained all
13 our customer service representatives to ask anybody
14 who calls in. We get between two thousand and three
15 thousand billing calls every single day, customers
16 who have questions about their bills, and the
17 customer service reps have been trained to screen
18 them again and make sure they're on the right rate.
19 Q. And there is a process if a customer
20 receives information about the lawsuit and wants to
21 have NSTAR evaluate whether they're misclassified,
22 there is a process for them to contact NSTAR. Is
23 that --
24 A. Yes, there is.

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1 Q. Could you describe what that process is?
2 A. Yes. We give them a toll-free number to
3 call; and the people who answer those phones have a
4 scripted series of questions to ask to determine
5 whether or not someone falls into one of the
6 categories that allow people to continue to have
7 standard-offer service. And if they find an
8 immediate match, for example if someone says "Yes, I
9 receive the low-income discount rate" or "I receive
10 welfare," for example, "and I'm low-income," then we
11 ask them to send us in some kind of a confirmation
12 of that, a copy of their benefit statement for
13 example, and we immediately change the account.
14 There are some that we might not be able
15 to immediately determine over the phone,
16 particularly because some customers move a lot. If
17 you move three or four times, it becomes more
18 difficult to track that.
19 Q. You would have to trace the records back
20 to show that they were at one time a standard-offer
21 service customer?
22 A. Yes. So in those cases we'll just ask the
23 customer to get us some additional information, for
24 example, an old account number or the addresses

1 where they've lived for each apartment, so that we
2 can trace it backwards. And in those cases after we
3 do the investigation, if we determine they qualify
4 for standard-offer service, just like the other
5 24,000 accounts, we do an immediate correction. We
6 put them on the standard-offer service. We rebill
7 all the months that they were incorrectly on default
8 service at the lower price and send them a letter
9 confirming this is what's going to happen.
10 If we determine based on our best
11 information that they don't qualify, we send them a
12 letter saying we're sorry, we have investigated your
13 claim, we can't find enough information to qualify
14 you for this. And we do tell them that they can
15 call your office for more assistance or they can
16 call us back with additional information and we'll
17 continue to look.
18 Q. When you say my office, they could call
19 Grant & Roddy for some help in terms of working out
20 a dispute about whether they're on the right rate?
21 A. Yes, that's right.
22 Q. Now, among the group of 24,000 customers
23 who were identified as having been misclassified, my
24 understanding is that there's a handful of customers

Attachment DTE-5-6(b):

This attachment contains confidential information subject to protective treatment and is intentionally omitted.