

Case No. 12-M-0476 et al.
EDI Business/Technical Working Groups
Workpaper – 814D - Termination Fees at Account Closure – 8/11/2017

EDI Transaction to Satisfy Proposed Change – National Grid Workpaper
Public Service Commission’s Uniform Business Practices

Background:

In the *Notice Seeking Comments on Revisions to the Uniform Business Practices*, issued March 8, 2017, in Case 12-M-0476 (the “Notice”), Staff proposed to change the definition of “Termination Fee” to include: “[i]n the event the customer is deceased before the end of such contract term, no fee for termination or early cancellation shall be assessed.” In the Comments of the Joint Utilities, submitted May 15, 2017, no comments were included on this provision.

Discussion:

There have been active discussions during the EDI Business Working Group (BWG) meetings to determine what, if any, process is necessary to comply with this language. ESCOs have requested an EDI transaction be developed and implemented by utilities to identify to ESCOs when a customer account is being finalized due to death.

In order for a utility to close an account due to a death, most utilities have specific requirements for persons authorized to speak on behalf of the estate and for documentation necessary to show the account holder is deceased. A death certificate needs to be provided, along with proof that the person is authorized to speak on behalf of the estate (such as an executor, estate administrator, or volunteer administrator). Ordinarily, the account would remain active until the appropriate documentation is obtained, which may be appropriate to prevent any physical harm to the premise. Utilities will continue service and bill the decedent’s estate during this time. If no payments are made on the account, it may fall into collections and be terminated.

National Grid does not final the account upon immediate notice of a death, rather, we add the ‘Estate of’ at the end of the last name and then update the mailing for the executor/administrator and add them as an authorized secondary to the account based on the required documentation being received.

For National Grid, a “reported as deceased” flag is placed on the account by either a third party caller stating the customer is deceased or it is reported from a third party vendor. Other processes are implemented to handle the account once it is identified as “reported as deceased”. These processes can be lengthy and could take approximately 6 months or more.

Conclusion Discussion:

Notifying ESCOs as to an account holder’s death status should not come from the utility for a number of reasons. First, the information coded in the utility billing system is not considered a reliable source of a customer’s status as deceased. For example, National Grid codes the account as “reported as deceased”, which is not considered confirmation of an account holder’s death.

ESCOs will only be obliged to address accounts that are their customer, which means the ESCO will already have an established relationship with the affected customer. Utilities are not aware of and do not have access to ESCO contract terms. The language in the Notice imposing a waiver on termination fees is an ESCO obligation, and thus, it is the ESCO’s responsibility to develop and implement a process for this type of scenario. ESCOs could accomplish this in several ways – via contract terms, yearly letters to customers, providing additional training to ESCO customer service representatives, etc.