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June 2, 2021

VIA ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888
luly.massaro@puc.ri.gov

**Re: Docket 5073 - Petition of Retail Energy Supply Association
for Implementation of Purchase of Receivables Program**

Dear Ms. Massaro,

Please find the following documents enclosed herewith for filing and docketing in the above-entitled petition:

1. Settlement Term Sheet between the Retail Energy Supply Association (“RESA”) and the Narragansett Electric Company d/b/a National Grid (“National Grid”);
2. National Grid’s Letter of Agreement with Settlement Term Sheet; and
3. Good Energy’s Letter of Support.

Thank you for your attention to this filing.¹ If you have any questions, please do not hesitate to contact me at 617-342-6884.

Very Truly Yours,

/s/ Ryan M. Murphy

Ryan M. Murphy

Enclosure

cc: Docket 5073 Service List

¹ Per Commission counsel’s update on October 2, 2020 concerning the COVID-19 emergency period, RESA is submitting an electronic version of this filing. RESA will also provide the Commission Clerk with six (6) hard copies of the enclosures via First Class Mail.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below on June 2, 2021.

/s/ Ryan M. Murphy

Ryan M. Murphy, Esq.

**Docket No. 5073 – Retail Energy Supply Associations Petition for Implementation of Purchase of Receivables Program
Service List updated 4/30/2021**

Name/Address	E-mail Distribution	Phone
NRG Energy, Inc. Ryan M. Murphy, Esq. Eckert Seamans Cherin & Mellott, LLC Two International Place, 16 th Floor Boston, MA 02110	rmmurphy@eckertseamans.com;	617-342-6884
	CWaksler@eckertseamans.com;	
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	DODell@eckertseamans.com;	
National Grid Andrew Marcaccio, Esq. National Grid. 280 Melrose St. Providence, RI 02907	Andrew.Marcaccio@nationalgrid.com;	401-784-7263
	CELIA.OBRIEN@nationalgrid.com;	
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	cgilbert@daymarkea.com;	

Direct Energy Business LLC Joseph A. Farside, Jr. Locke Lord LLP 2800 Financial Plaza Providence, RI 02903	Joseph.Farside@lockelord.com ;	401-274-9200
Good Energy, Inc. James G. Rhodes, Esq. 205 Governor St. Providence, RI 02906	jamie.rhodes@goodenergy.com ; philip.carr@goodenergy.com ; stefano@goodenergy.com ; patrick@goodenergy.com ;	401-225-3441
File an original & 9 copies w/: Luly E. Massaro, Commission Clerk Cynthia Wilson-Frias, Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ; Alan.nault@puc.ri.gov ; Cynthia.WilsonFrias@puc.ri.gov ; Todd.bianco@puc.ri.gov ; John.harrington@puc.ri.gov ; Rudolph.S.Falcone@puc.ri.gov ;	401-780-2017
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STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

**PETITION OF RETAIL ENERGY :
SUPPLY ASSOCIATION TO IMPLEMENT : Docket No. 5073
PURCHASE OF RECEIVABLES PROGRAM :**

SETTLEMENT TERM SHEET

If the State of Rhode Island Public Utilities Commission (“PUC” or “Commission”) approves the Petition for Implementation of a Purchase of Receivables (“POR”) Program filed by the Retail Energy Supply Association (“RESA”) on September 16, 2020, RESA and The Narragansett Electric Company d/b/a National Grid (“National Grid” or “Company”) agree on the following terms and conditions of the POR program:

A. Background

1. Nonregulated power producers (“NPPs” or “suppliers”) produce, manufacture, generate, buy, aggregate, market or broker electricity for sale at wholesale or for retail sale to the public.
2. Customers of suppliers may request separate bills for distribution service and electricity supply, but otherwise the electric distribution company (“EDC”) is obligated to provide a single consolidated bill for electric service to all customers in its service territory.¹
3. In amending the Utility Restructuring Act of 1996 in 2018, the General Assembly authorized the RI PUC to “implement a purchase of receivables program where the electric distribution company purchases the receivables of the nonregulated power producer at a discount rate that is then offset from the monthly payments the electric distribution company makes to the nonregulated power producer if the commission finds that the benefits of the program to ratepayers would exceed the costs to ratepayers.”²

¹ 815-RICR-30-05-2.4.B.4.

² R.I. Gen. Laws § 39-1-27.13(b).

B. General Description of POR Program

1. A POR program sets forth the parameters under which the EDC bills and collects the charges (accounts receivables) owed to a participating supplier that is providing the end-user customer with generation service and where the customer has opted to receive a single, consolidated bill from the EDC.
2. Through a POR program, the EDC owns the accounts receivables of the suppliers and retains the right to pursue collection of those charges.
3. Under the POR program agreed upon by the parties, the EDC will purchase the suppliers' accounts receivables, including existing receivables, at discount rates, regardless of whether the EDCs have collected the owed monies from customers.

C. Recovery of Costs

1. National Grid's implementation and ongoing costs will be fully recovered through the discount rate. The initial discount rate will be set to recover implementation costs over a three-year period.
2. To the extent that the costs are higher than envisioned and would result in a discount that effectively precludes supplier participation in the POR program, the parties agree that RESA may request the RI PUC to approve a longer cost recovery period and a carrying charge agreed upon between RESA and the EDC.

D. Standard Complete Bill Percentage

1. The standard complete bill percentage ("SCBP") will be calculated for each customer class and filed with the Commission by February 15 of each year and go into effect on April 1. It will remain in effect for one year.
2. The EDC will compute the SCBP in accordance with a formula that adds together:
 - a. The uncollectible percentage for the customer class, based on actual data for the most recent period for which data is available;
 - b. The administrative cost percentage, which is the EDC's total forecasted administrative costs divided by the total amounts billed by the EDC; and
 - c. The past period reconciliation percentage, which is the sum of three percentages, including the difference between uncollectible expenses estimated and actually incurred; the difference between the administrative costs actually incurred and administrative costs actually billed to customers; and interest.

3. The EDC, at its own discretion, may perform a cash working capital lead-lag study as part of each annual SCBP filing, comparing the timing of payments to suppliers to the timing of payments from customers to the EDC over the year and calculate a working capital impact to be recovered through the administrative component of the SCBP.
4. The EDC will pay the supplier the full amount due from the customer for generation service, less (a) the full amounts due from customers for generation service multiplied by (b) the SCBP. For any customer that has elected budget billing, the full amounts due for generation service will be based on the customer's actual usage.

E. Supplier Participation in and Scope of POR program

1. For residential customer classes, suppliers participating in the POR program are required to use the EDC's consolidated billing services for all residential accounts and to sell all accounts receivables associated with the residential classes to the EDC.
2. For commercial and industrial classes, suppliers may elect to participate in the POR program for a portion of those accounts. Suppliers that participate in the POR program for a portion of its commercial and industrial accounts are required to use the EDC's consolidated billing services and to sell the accounts receivables associated with those accounts to the EDC. For remaining commercial and industrial accounts, suppliers may elect to directly bill them instead of participating in the POR program.
3. Only charges for generation services will be included among the accounts receivables that the EDC will purchase under the POR program. At its sole discretion, an EDC may voluntarily offer to purchase receivables for optional services, other than charges for generation services, provided by the supplier. If the EDC agrees to purchase such receivables, it will include the charges for these services on its consolidated bill.
4. The EDC may offer a summary billing option to suppliers that have qualified customers with multiple electric service accounts, allowing the consolidation of multiple billings on a single bill format.
5. Existing receivables for generation services will be purchased by the EDC when the program is implemented, using transition rates based on historical data. These rates will be subject to reconciliation of uncollectible expenses actually experienced versus discounted supplier payments.
6. All customer classes will be included in the POR program with different discounts established for each class based on the levels of uncollectible percentages.

F. Payment to Suppliers

1. The EDC will remit the payments to suppliers on the basis of the average payment period of the relevant customer class, based on twelve months of data, or other appropriate period proposed by the EDC, as approved by the Commission.
2. If National Grid experiences disruptions in cash flow caused by customers not paying their bills within a timeframe that is consistent with historical payment periods, which are not adequately addressed by recovery of a working capital costs as described in Section D.3, the Company may propose to adjust the payment period to suppliers.

G. Obligations and Rights of Suppliers

1. Suppliers will grant the EDC a first priority perfected security interest in the accounts receivable that the EDC purchases through the POR program.
2. Suppliers may not attempt to collect accounts receivables as of the billing date and must assign all payments received from customers to the EDC.
3. If there is a conflict between these terms and the Terms and Conditions for Nonregulated Power Producers or Terms and Conditions for Municipal Aggregation, the Terms and Conditions for Nonregulated Power Producers and Terms and Conditions for Municipal Aggregation shall govern.

H. Timeframe for Implementation

1. Subject to paragraph 4 below, if the Commission approves RESA's Petition, as modified by this Term Sheet by July 1, 2021, National Grid will implement POR by January 1, 2022.
2. Subject to paragraph 4 below, if the Commission does not approve the Petition, as modified by this Term Sheet, by July 1, 2021, National Grid will implement the POR program within 180 days following Commission approval of RESA's Petition, either as modified by this Term Sheet or by the Commission.
3. Following the submission of this Term Sheet and during the 180-day implementation period, the parties will revise the Terms and Conditions for Nonregulated Power Producers and Terms and Conditions for Municipal Aggregation and/or develop competitive service agreements to outline the obligations and rights of suppliers and the EDC.
4. If additional time is warranted for good cause shown, National Grid may request additional time by notifying the parties (RESA, Good Energy, and the Division of Public Utilities and Carriers) that it intends to seek Commission approval of a

later implementation date. If the Commission approves a later implementation date, National Grid will implement POR by that later date.

Dated: June 2, 2021

June 2, 2021

VIA ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Docket 5073– Retail Energy Supply Association (RESA)
Petition for Implementation of Purchase of Receivables Program
National Grid’s Agreement with Term Sheet**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid (the “Company”), please be advised that the Company is in agreement with the Term Sheet filed by the Retail Energy Supply Association on June 2, 2021.

Thank you for your attention to this filing. If you have any questions or concerns, please do not hesitate to contact me at 401-784-4263.

Sincerely,



Andrew S. Marcaccio

Rhodes Consulting, James G. Rhodes Esq.
205 Governor St.
Providence, RI 02906

June 2, 2021

Luly E. Massaro, Commission Clerk
State of Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

Re: Docket 5073 – Petition of Retail Energy Supply Association for Implementation of Purchase of Receivables Program

Dear Ms. Massaro:

This letter is to evidence Good Energy's support of Settlement Term Sheet that has been agreed to between National Grid and RESA in the above-referenced docket.

Thank you for your attention to this submission. If there any questions, please contact me at 401-758-7288.

Sincerely,

James G. Rhodes
Counsel for Good Energy, L.P.