

**STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION**

<b>IN RE: THE NARRAGANSETT ELECTRIC COMPANY D/B/A RHODE ISLAND ENERGY'S PETITION FOR AUTHORITY TO FORGIVE CERTAIN ARREARAGES FOR LOW-INCOME AND PROTECTED CUSTOMERS</b>	Docket No. 22-08-GE
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**PETITION OF THE NARRAGANSETT ELECTRIC COMPANY d/b/a RHODE ISLAND ENERGY FOR AUTHORITY TO FORGIVE CERTAIN ARREARAGE BALANCES FOR LOW-INCOME AND PROTECTED CUSTOMERS**

Petitioner The Narragansett Electric Company d/b/a Rhode Island Energy (“Rhode Island Energy”), by and through its undersigned attorneys, hereby petitions the Rhode Island Public Utilities Commission (the “Commission”) for authority to forgive certain arrearage balances accrued on the accounts of electric and gas distribution customers who receive service under the low-income rate classes and customers who qualify as protected under the Commission’s Rules and Regulations Governing the Termination of Residential Electric, Gas and Water Service, 810-RICR-10-00-1. As and for its petition, Rhode Island Energy states as follows:

**Introduction and Background**

1. Rhode Island Energy is both an electric and gas distribution company as defined in R.I. Gen. Laws § 39-30-2.
2. On or about May 4, 2021, PPL Corporation, PPL Rhode Island Holdings, LLC, (PPL Corporation and PPL Rhode Island Holdings, LLC are collectively referred to as “PPL”), National Grid USA (“National Grid”), and The Narragansett Electric Company (“Narragansett”) filed a joint petition with the Rhode Island Division of Public Utilities and Carriers (the “Division”) seeking approval of PPL Rhode Island Holdings, LLC’s acquisition of 100 percent of the outstanding shares of common stock of Narragansett (the “Transaction”).

3. After PPL, National Grid, and Narragansett filed the joint petition, the Division conducted an adjudicatory proceeding to consider whether to approve the Transaction under the statutory standard set forth in R.I. Gen. Laws § 39-3-25 (the “Division Approval Proceeding”).

4. Several other parties successfully intervened and participated in the Division Approval Proceeding, including Peter F. Neronha, Attorney General of the State of Rhode Island (the “Attorney General”).

5. On or about February 23, 2022, after discovery, consideration of pre-filed written testimony, four full days of evidentiary hearings, and post-hearing briefing, the Division issued a Report and Order approving the Transaction, with conditions (the “Division Approval Order”).

6. On or about February 24, 2022, the Attorney General filed an administrative appeal of the Division Approval Order in the Rhode Island Superior Court (the “Superior Court Appeal”) and moved for an emergency stay of the Division Approval Order pending resolution of the appeal.

7. On or about April 1, 2022, the Superior Court entered an order staying the Division Approval Order during the pendency of the Superior Court Appeal (the “Stay Order”).

8. On or about May 19, 2022, following substantial negotiations, PPL and the Attorney General reached a Settlement Agreement, pursuant to which PPL agreed to take certain additional actions and the Attorney General agreed to file: (a) a joint motion to vacate the Stay Order, and (b) a stipulation of dismissal, with prejudice, of the Superior Court Appeal. A true and accurate copy of the Settlement Agreement is attached as Attachment A to this petition.

9. On or about May 23, 2022, the joint motion to vacate the Stay Order and the stipulation of dismissal with prejudice were filed in the Superior Court, the Superior Court

entered an order vacating the Stay Order, and the Superior Court appeal was dismissed, with prejudice.

10. On or about May 25, 2022, PPL and National Grid closed the Transaction and PPL Rhode Island Holdings, LLC took ownership and control of Narragansett, rebranding it as Rhode Island Energy.

11. One of the terms of the Settlement Agreement negotiated between PPL and the Attorney General is:

Customer Arrearage Forgiveness. Within 30 days of closing, PPL shall seek PUC approval to forgive \$43.5 million in arrearages for low-income and protected residential customers, which represents 100% of the arrearages of over 90 days for those customers as of March 31, 2022.

12. Accordingly, to comply with its obligations under the Settlement Agreement, Rhode Island Energy (which is now under PPL ownership and control)<sup>1</sup> files this petition seeking authority from the Commission to forgive the \$43.5 million in arrearages for low-income and protected residential customers identified in the Settlement Agreement.

13. Rhode Island Energy proposes that, upon approval of this petition, it will immediately forgive those balances and remove those amounts from those customers' balances due.

### **Jurisdiction**

14. The Commission has jurisdiction over this matter pursuant to its authority “to hold . . . hearings involving the . . . rates, . . . tolls, and charges . . . of . . . gas [and] electric distribution. . . utilities[,]” R.I. Gen. Laws § 39-1-3(a). Accordingly, the Company brings this

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<sup>1</sup> The Narragansett Electric Company d/b/a Rhode Island Energy is a direct wholly owned subsidiary of PPL Rhode Island Holdings, LLC. PPL Rhode Island Holdings, LLC is an indirect wholly owned subsidiary of PPL Corporation.

petition pursuant to Rule 810-00-00-1.11(c) of the Commission’s Rules of Practice and Procedure for authority to provide the arrearage forgiveness called for under the Settlement Agreement in compliance with Rhode Island Energy’s duties under R.I. Gen. Laws § 39-2-2 and R.I. Gen. Laws § 39-2-3 not to engage in unjust rate discrimination or to give unreasonable preferences or prejudices.

**Requested Authority**

15. The Settlement Agreement provides for \$43.5 million in arrearage forgiveness to low-income customers and protected customers, which was equal to the total amount of arrearages for those classes of customers that was more than 90 days past due as of March 31, 2022. Attachment B to this petition is a report from the credit and collections team dated April 1, 2022, showing the accounts receivable from both gas and electric customers as of March 31, 2022. That report formed the basis for the amount and nature of the arrearage forgiveness set forth in the Settlement Agreement. Specifically, Rhode Island Energy added the amounts on this report that were 90 days or more past due for the “Protected Only” customers, “DPA and Protected” customers, “Low Income Only” customers, and “DPA and Low Income” customers to determine the amount of arrearage forgiveness it would agree to provide in the Settlement Agreement.<sup>2</sup> Those specific amounts are highlighted in yellow on Attachment B. If the Commission approves this petition, Rhode Island Energy proposes to forgive these arrearage amounts based on the balances as of March 31, 2022, without adjusting for any payments that may have been received since that date.

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<sup>2</sup> The defined term “DPA” refers to a Deferred Payment Arrangement.

16. Low income customers are defined as those customers who: (a) receive electric distribution service under rate class A60, (b) gas distribution service under rate class 11, and (c) gas distribution service under rate class 13.

17. Protected customers are defined as those “residential customer[s] about whom the public utility has evidence that the customer is:

- a. unemployed as demonstrated through verification by [the Department of Labor and Training] that the person is currently receiving unemployment compensation;
- b. elderly or handicapped, as defined by § 1.4(K)(1)(a) of this Part [providing that public utilities may not terminate utility services to households in which all adults residents are 62 years of age or older or any resident is handicapped, without receiving prior written approval from the Division];
- c. recipients of Low Income Heating Assistance Program (LIHEAP) . . . ;
- d. seriously ill, as defined by § 1.2(A)(8) of this Part [defining “seriously ill” as “an illness that is life-threatening or that will cause irreversible adverse consequences to human health or that has a significant potential to become life threatening or to cause irreversible adverse consequences to human health”]; [or]
- e. living in a residence where there is domiciled a person under the age of two (2) years and there is a financial hardship.”

810-RICR-10-00-1.2.

18. “A utility ‘has evidence’ that a person is a Protected Status Customer when the utility has written verification from a legitimate agency that such person falls within one of the above-listed categories of Protected Status Customers (e.g., Rhode Island drivers [*sic*] license showing age, DLT photo identification card, a letter from a licensed physician showing that a

person is seriously ill or handicapped, a Social Security Number, written verification of LIHEAP enrollment, written verification of eligibility for food stamps)[.]” *Id.*

19. Rhode Island Energy seeks authority from the Commission to forgive arrearages in an amount equal to \$43.5 million to these classes of customers consistent with its obligations under the Settlement Agreement.

20. As part of this petition, Rhode Island Energy seeks a determination that providing this arrearage forgiveness to this subset of customers does not constitute undue rate discrimination under R.I. Gen. Laws § 39-2-2 or an unreasonable prejudice or preference under R.I. Gen. Laws § 39-2-3.

21. As support for this request, Rhode Island Energy states that the Commission already recognizes that it is appropriate to provide special protections and preferences for these customers.

22. With respect to low-income customers, the Commission has authorized low-income rate classes that provide electric and gas distribution service at lower rates than those Rhode Island Energy charges to other residential customers.

23. Also, with respect to low-income customers, as well as with respect to protected customers, the Commission has provided special protections regarding collections procedures and termination procedures through its Rules and Regulations Governing the Termination of Residential Electric, Gas and Water Service.

24. These accommodations demonstrate a recognition that it is reasonable and appropriate to provide additional relief to low-income and protected customers from the potential adverse consequences that could occur from the failure to pay utility bills.

25. Although Rhode Island Energy generally seeks to collect all amounts appropriately due from all customers, Rhode Island Energy's agreement to seek this arrearage forgiveness as part of the Settlement Agreement is, in part, a recognition that, as the State of Rhode Island continues to deal with consequences of the COVID-19 pandemic, and as new cost challenges have arisen associated with spikes in gas prices and inflation generally, it is reasonable and appropriate to provide some additional relief to these more vulnerable customers from aged arrearages.

**WHEREFORE**, Rhode Island Energy respectfully requests that the Commission issue an order:

1. Granting this petition;
2. Authorizing Rhode Island Energy to provide the requested arrearage forgiveness; and
3. Ordering such other relief or direction as the Commission deems just and appropriate under the circumstances.

Respectfully submitted,

The Narragansett Electric Company d/b/a Rhode Island Energy

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