



STATE OF RHODE ISLAND
OFFICE OF THE ATTORNEY GENERAL

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Peter F. Neronha
Attorney General

July 14, 2022

Luly Massaro, Clerk
Division of Public Utilities and Carriers
89 Jefferson Blvd.
Warwick, RI 02888
Luly.massaro@puc.ri.gov

**RE: IN RE: INVESTIGATION OF UTILITY MISCONDUCT OR FRAUD BY THE
NARRAGANSETT ELECTRIC COMPANY RELATING TO PAST PAYMENT OF
SHAREHOLDER INCENTIVE
DOCKET NO. 22-05-EE
DOCKET NO. 5189**

Dear Ms. Massaro:

Enclosed please find for filing an original and four (4) copies of the Attorney General's Motion to Intervene in the above-referenced dockets.

Thank you for your attention to this matter. Should you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Nicholas Vaz

Special Assistant Attorney General
nvaz@riag.ri.gov

Enclosures

Copy to: Service List

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

IN RE: INVESTIGATION OF UTILITY MISCONDUCT :
OR FRAUD BY THE NARRAGANSETT ELECTRIC : **DOCKET NO. 22-05-EE**
COMPANY RELATING TO PAST PAYMENT OF : **DOCKET NO. 5189**
SHAREHOLDER INCENTIVE :

**THE ATTORNEY GENERAL OF THE STATE OF RHODE ISLAND'S
MOTION TO INTERVENE**

NOW COMES Peter F. Neronha, Attorney General of the State of Rhode Island (“Attorney General”), and hereby moves to intervene with full-party status in the above-captioned proceeding in accordance with Rule 1.14(B) of the Public Utilities Commission’s (the “Commission”) Rules of Practice and Procedure (the “Commission Rules”).

I. Standard of Review

Commission Rule 1.14(B) states that “any person claiming a right to intervene or an interest of such nature that intervention is necessary or appropriate may intervene in any proceeding before the Commission.” 810-RICR-00-00-1.14(B). Further, such right or interest may be:

- a. A right conferred by statute.
- b. An interest which may be directly affected and which is not adequately represented by existing parties and as to which movants may be bound by the Commission’s action in the proceeding. (The following may have such an interest: consumers served by the applicant, defendant, or respondent; holders of securities of the applicant, defendant, or respondent.)
- c. Any other interest of such a nature that movant’s participation may be in the public interest.

810-RICR-00-00-1.14(B)(1)-(3). As explained below, the Attorney General has a statutory right to intervene and is in a unique position to represent the interests of the State and the public such that intervention is both necessary and appropriate.

II. Basis for Intervention

The Rhode Island Attorney General intervenes to represent the State's interest, and the interests of those who fund the state's energy efficiency program (the "EEP") and benefit from the program, namely ratepayers and the public as a whole. He is in a unique position to represent these interests and should be permitted to do so. Participation by the Attorney General in the instant proceeding is sanctioned by law and consistent with the public interest.

The Narragansett Electric Company (the "Company") is responsible for managing the EEP. This well over \$100 million-per-year program is funded by ratepayers, mainly via surcharges on their utility bills. The monies collected are used to subsidize energy efficiency improvements to Rhode Island buildings and homes and help provide, *inter alia*, energy efficiency audits, incandescent lightbulb replacement, subsidized insulation, and heating system and appliance rebates.

In Commission Docket No. 5189, the Company filed for approval of its 2022 Annual Energy Efficiency Plan. During the course of the proceedings in that docket, the Company informed the Commission that it had discovered noncompliance with certain program rules, and that the Company had been delaying reports/invoicing of certain work in order to maximize Company performance-based incentives available pursuant to the EEP. The Company has admitted that, as a result of this misreporting, certain monies were wrongfully received by the Company. Although this misreporting took place prior to a change in ownership, the fact remains that the money was wrongfully taken from the public. Even the Company's own internal investigation suggests that as much as \$2.2 million was wrongfully received between 2012 and 2021. See Review of Invoices within the Energy Efficiency Program, Commission Docket No.

5189 (June 7, 2022). On July 11, 2022, the PUC issued Order 24441 noticing the investigatory Commission Docket No. 22-05-EE.

The Attorney General is, pursuant to § 42-9-6 of the General Laws of Rhode Island of 1956, as amended, the “legal advisor of all state boards, divisions, departments, and commissions and the officers thereof...” He is also the public officer charged with representing the State of Rhode Island, the public interest, and the people of the State. This includes representation with respect to environmental, electric or gas industry matters, as well as consumer protection matters.

Further, the Attorney General, through his designated Environmental Advocate and pursuant to the Environmental Rights Act, R.I. Gen. Laws § 10-20-1, *et seq.*, has a statutory right and obligation to “take all possible action” for “the protection, preservation, and enhancement of air, water, land, and other natural resources located within the state.” *See* R.I. Gen. Laws § 10-20-1 and § 10-20-3(d)(5). Additionally, the Attorney General “has a common law duty to protect the public interest.” *State v. Lead Indus., Ass'n, Inc.*, 951 A.2d 428, 471 (R.I. 2008) (*quoting* Newport Realty, Inc. v. Lynch, 878 A.2d 1021, 1032 (R.I. 2005)).

It should also be noted that the Attorney General has been granted full-party status in prior proceedings before the Public Utilities Commission involving public utility operations and rates. Moreover, the legislature and courts have also recognized role of the Attorney General as an intervenor on behalf of the state or its citizens as customers of the public utility. *See e.g.* R.I. Gen. Laws § 39-1-19(b), *see also* Narragansett Elec. Co. v. Harsch, 117 R.I. 395, 405 n. 6 (1977).

The EEP is designed to improve energy efficiency in buildings and homes throughout the state, which in turn creates reduced reliance on fossil fuels and a decrease in the need for costly infrastructure improvements during times of population and economic growth. The proper management of our state’s energy efficiency programs is essential for the state to achieve its mandated greenhouse gas emission reductions pursuant to the Act on Climate. Pursuant to the Act

on Climate, greenhouse gas emissions throughout the state must be reduced by 45% from 1990 levels by 2030, by 80% from 1990 levels by 2040, and the State must attain net-zero emissions by 2050. *See* R.I. Gen. Laws § 42-6.2-9. The Attorney General seeks to intervene to ensure that the incentives that should not have been received by the Company are returned, and that other damages are assessed as may ultimately be found appropriate. Additionally, the Attorney General wishes to protect the state's environmental interests and to ensure that the EEP is effectively managed going forward under the Company's new ownership, along with ensuring the people of Rhode Island are adequately represented in all other matters appropriately raised within the proceeding.

III. Conclusion

For the reasons set forth herein, the Attorney General respectfully requests that the Public Utilities Commission grant his Motion to Intervene in this proceeding.

Respectfully submitted,

PETER F. NERONHA
ATTORNEY GENERAL OF THE
STATE OF RHODE ISLAND

By his Attorneys,

/s/ Nicholas M. Vaz
Nicholas M. Vaz (#9501)
/s/ Alison B. Hoffman
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Dated: July 14, 2022

CERTIFICATE OF SERVICE

I hereby certify that on the 14th day of July 2022, the original and four hard copies of this Motion were sent via hand-delivery to Luly Massaro, Clerk of the Division of Public Utilities and Carriers, 89 Jefferson Boulevard, Warwick, RI 02888. In addition, electronic copies of the Motion were served via electronic mail on the service list for this Docket on July 14, 2022.

/s/ Ellen Golde _____