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July 21, 2022

VIA ELECTRONIC MAIL AND HAND DELIVERY

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

**Re: Docket No. 22-07-GE
The Narragansett Electric Company d/b/a Rhode Island Energy – Tariff Advice
Filing – Bill Credits for Electric and Gas Customers**

Dear Ms. Massaro:

Enclosed please find an original and four copies of The Narragansett Electric Company d/b/a Rhode Island Energy's ("Rhode Island Energy") Responses to the Public Utilities Commission's First Set of Data Requests, issued on July 7, 2022 (the "First Set of Data Requests").

Thank you for your time and attention to this filing. Please contact me if you have any questions or need any further information.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Adam M. Ramos".

Adam M. Ramos

AMR:cw
Enclosure
62888040

cc: Service List for Dockets 22-07-GE and 22-08-GE

Docket No. 22-07-GE – The Narragansett Electric Company d/b/a Rhode Island Energy - Tariff Advice Filing – Bill Credits for Electric and Gas Customers

Docket No. 22-08-GE – The Narragansett Electric Company d/b/a Rhode Island Energy - Petition for Authority to Forgive Certain Arrearages for Low-Income and Protected Customers

Service list 7/12/2022

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The Narragansett Electric Company
d/b/a Rhode Island Energy
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PUC 1-1

Request:

Which entity is funding the bill credits?

Response:

The Narragansett Electric Company d/b/a Rhode Island Energy is funding the bill credits.

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PUC 1-2

Request:

Please explain the regulatory accounting treatment of this payment or contribution and the extent, if any, to which the Company anticipates it would impact The Narragansett Electric Company’s gas and electric earnings reports.

Response:

The Company will not record any payment or contribution related to the bill credits on its books. Rather, the Company will book the bill credits as a reduction of revenue in the month(s) that it provides those bill credits to customers. Because it will be a reduction in revenue, it will reduce the net income on the regulated utility’s electric and gas earnings reports. For regulatory accounting purposes, the Company will make adjustments as necessary such that the reduction in net income does not impact any rate reconciliation mechanisms and does not impact the earnings sharing mechanisms.

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PUC 1-3

Request:

Please explain how the \$50 million total was allocated between electric and gas.

Response:

The \$50 million was split 65 percent and 35 percent between electric and gas, respectively, based on the split of total electric customers and total gas customers. At the time the split was proposed, PPL Corporation had been informed that, as of March 15, 2022, The Narragansett Electric Company had 501,236 electric customers and 274,041 gas customers. Based on those numbers, there were 775,277 total customers, and electric customers represented 64.6 percent of all customers and gas customers represented 35.4 percent of all customers. PPL Corporation rounded those numbers to the nearest full percentage point and multiplied the \$50 million by those percentages, resulting in \$32.5 million allocated to electric customers for bill credits, and \$17.5 million allocated to gas customers for bill credits.

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PUC 1-4

Request:

Please provide a schedule showing the calculation of the customer credit for each electric and gas.

Response:

Please see the table below showing the calculation of the credit for each electric and gas customer:

	Total Credit \$	Total Customers ¹	Credit \$ Per Customer ²
Electric	\$32.5 million	510,023 ³	\$63.72
Gas	\$17.5 million	272,786	\$64.15

¹ The Company determined the total number of customers as of May 25, 2022, which was the date that PPL Rhode Island Holdings, LLC’s acquisition of The Narragansett Electric Company closed.

² The “Credit \$ Per Customer” is the mathematical result of dividing the “Total Credit \$” number by the “Total Customers” number.

³ The “Total Customers” number for electric includes street lighting accounts.

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PUC 1-5

Request:

For each electric and gas, what is the total amount of money that is being credited to residential accounts and the total that is being credited to non-residential accounts?

Response:

Please see the table below showing the calculation of the amount credited to residential and non-residential accounts for electric and gas:

Electric	Credit \$ Per Customer²	Total Customers¹	Total Amount⁴
Residential	\$63.72	445,366 ³	\$28.4 million
Non-Residential	\$63.72	64,657 ³	\$4.1 million
Total		510,023	\$32.5 million

Gas	Credit \$ Per Customer²	Total Customers¹	Total Amount⁴
Residential	\$64.15	247,735	\$15.9 million
Non-Residential	\$64.15	25,051	\$1.6 million
Total		272,786	\$17.5 million

¹ The Company determined the total number of customers as of May 25, 2022, which was the date that PPL Rhode Island Holdings, LLC’s acquisition of The Narragansett Electric Company closed.

² The “Credit \$ Per Customer” is the mathematical result of dividing the “Total Credit \$” number by the “Total Customers” number as shown in the Company’s response to PUC 1-4.

³ The “Total Customers” number for electric includes street lighting accounts.

⁴ The “Total Amount” is the mathematical result of multiplying the “Credit \$ Per Customer” by the “Total Customers” number.

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PUC 1-6

Request:

Please explain how the one-time credit is expected to appear on the bill.

Response:

The one-time credit will appear on the customer’s bill as a miscellaneous credit. The Company also will include the following bill message on the bill: “Good news! When Rhode Island Energy became your new energy provider, we agreed to apply a one-time credit to all accounts that were active as of March 25th, 2022. See above for the account credit that is being applied to your account. Learn more at [URL TBD]”. The Company is determining what the web address will be that will be referenced in the bill message.

PUC 1-7

Request:

Each of the proposed tariffs indicates that a one-time bill credit will be applied to each customer account “as of May 25, 2022.”

- a. Did RI Energy identify each account as of May 25, 2022?
- b. Did the account identification include just active accounts? Please explain the rationale.
- c. Was the identification of customer accounts made by the customer identifier or the premise number? The purpose of this question is to understand what happens if a customer moved between May 25, 2022, and the effective date of the tariff – do they get a credit or not?
- d. What was the rationale for creating a new class of customers for purposes of applying the customer bill credit (i.e., those existing as of May 25, 2022) instead of applying the credit to all accounts as of the effective date of the credit?
- e. If a customer account was included in the May 25, 2022 list, and that customer has since closed their account, will they receive a check from the entity identified in PUC 1-1? If not, will the credit to all other customers be increased?
- f. How will the Company explain to customers who opened accounts as of May 25, 2022 that they are ineligible for this credit which could receive more news coverage?

Response:

- a. The Company identified all accounts that had an active status as of May 25, 2022.
- b. Yes. The Company identified only active accounts as of the closing date of PPL Rhode Island Holdings, LLC’s acquisition of The Narragansett Electric Company. The Company understands that the obligation under the Settlement Agreement among the Rhode Island Attorney General, PPL Corporation, and PPL Rhode Island Holdings, LLC is to provide bill credits to current customers as of the time PPL Rhode Island Holdings, LLC closed on the acquisition of The Narragansett Electric Company. Accordingly, the Company identified only active accounts as of the May 25, 2022, closing date.
- c. The Company identified the customer accounts by premise number. If an account was active at any premise on May 25, 2022, and subsequently moved to a new premise, that account will still be eligible for the one-time credit. The credit, however, will appear on the inactive account and will be transferred to the new account.
- d. Please see the Company’s response to subpart b, above.
- e. Yes.
- f. The Company will direct customers via a bill message to a website that will explain customer eligibility. Call Center Agents also will be provided with talking points to assist customers with questions about the bill credits.

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PUC 1-8

Request:

Was any consideration given to whether, for residential accounts, a monthly credit spread over a period of time, for example, the November 2022 – April 2023 timeframe may be a reasonable approach for crediting?

Response:

No. At the time PPL Corporation and the Rhode Island Attorney General negotiated the Settlement Agreement giving rise to the one-time bill credit tariff advice filed with the Public Utilities Commission in this docket, the parties agreed to a one-time bill credit, and that agreement was incorporated into the Settlement Agreement among PPL Corporation, PPL Rhode Island Holdings, LLC, and the Rhode Island Attorney General.

PUC 1-9

Request:

Would the Company object to providing the total credit as a monthly fixed credit to all billed residential accounts on bills issued between November 2022 – April 2023 subject to a reconciliation? In this example, the Company would project the number of accounts and credit for the period, provide the credits, and then reconcile to the stated dollar amount in response to PUC 1-5 – if the Company credited less than that amount, the excess would be applied to the customers’ benefit and if the Company provided more than that amount, the shortfall would be collected to the benefit of the Company. If the Company would object, why?

Response:

Although the Company would not formally object if the Public Utilities Commission (the “Commission”) was to order that the Company provide the bill credits to residential accounts as a fixed credit on bills issued from November 2022 through April 2023, subject to a reconciliation, the Company strongly recommends that it provides all the bill credits as one-time credits in the full amount to each customer account. The Company’s recommendation is based on the risks, challenges, and impacts, described below, that would arise from an approach spreading the bill credits out over a 6-month period.

Impacts to the Customers:

- Risk of not receiving full credit. The Company will have to manually track accounts that customers close over the course of the six-month period and track whether those customers opened an account at a new premise, which will be a labor-intensive and difficult process. As a result, spreading the credit over six months creates a risk that customers who are eligible for the credit will not end up receiving the full credit amount.
- Delayed use of credit to cover current and overdue charges. The Company’s arrearages have significantly increased both during and after the Commission’s orders regarding collected related to the COVID-19 pandemic. These credits can be used now for accounts in collections, or held on the account for any customer wishing to use the credit during the colder months. If the credit is spread over six months, it will delay customers’ ability to take advantage of the benefits that will flow from the credit.

Impacts to the Company:

- Impact to overall transition project timeline. The information technology (“IT”) resources necessary to implement the bill credits are the subject of a Transition Service Agreement

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(“TSA”) between Rhode Island Energy and National Grid, and those resources are the same resources responsible for completing the IT transition. Spreading the bill credits over six months will require those resources to expend substantial additional time on the bill credit process, and therefore take time away from completing the necessary IT transition tasks. Accordingly, that would create risk of further extending the time period to complete the IT transition to be able to end the TSA period for IT.

- Significant increased programming efforts. In place of a one-time large effort to process the credits, every month, new files will have to be created as the customer list will have changed for customers who have moved. This creates additional hours expended, and therefore increased costs under the TSA for IT services.
- High complexity in reconciliation. The Company must ensure the full amount of the commitment is allocated. For customers who move within that 6-month window, there would need to be extensive tracking for accounts that closed. In addition, added research would be required to see if they moved to another premise within its territory.
- Time needed to re-assess how to apply any remaining funds. To the extent that the Company is unable to fully track every customer over the six-month period, the Company would have to determine any amounts that were not disbursed and determine how best to distribute those remaining bill credits to ensure that it provides the full amount of bill credits agreed-upon and required by the Settlement Agreement among PPL Corporation, PPL Rhode Island Holdings, LLC, and the Rhode Island Attorney General.