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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

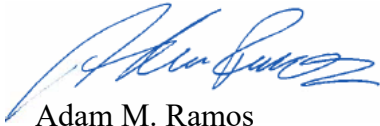
**Re: Docket No. 22-08-GE
The Narragansett Electric Company d/b/a Rhode Island Energy – Petition for
Authority to Forgive Certain Arrearages for Low-Income and Protected Customers**

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,



Adam M. Ramos

AMR:cw
Enclosure
62888128

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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PUC 1-1

Request:

Which entity is funding the arrearage forgiveness?

Response:

The Narragansett Electric Company d/b/a Rhode Island Energy is funding the arrearage forgiveness.

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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 arrearage forgiveness on its books. Rather, the Company will book the arrearage forgiveness as an increase to the provision for uncollectible accounts. Because it will be an increase in expense, 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 increased expense for the additional provision for uncollectible accounts does not impact any rate reconciliation mechanisms and does not impact the earnings sharing mechanisms.

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PUC 1-3

Request:

Please confirm that the \$43.5 million of arrearage forgiveness will not appear in the utility's "write-off" amount for purposes of future ratemaking.

Response:

The \$43.5 million of arrearage forgiveness will not appear in the "write-off" amount for purposes of future ratemaking, and the Company will not recover it from customers in any way.

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PUC 1-4

Request:

What was the rationale for choosing March 31, 2022 as the date for quantifying qualified arrearages?

Response:

PPL Corporation calculated the amount of arrearage forgiveness using the data from The Narragansett Electric Company's Low-Income Monthly Report, which The Narragansett Electric Company (the "Company") must submit pursuant to the terms of the Amended Settlement Agreement approved by the Public Utilities Commission (the "Commission") in Docket No. 4770. At the time that PPL Corporation was negotiating this portion of the settlement with the Rhode Island Attorney General, the most recent Low-Income Monthly Report that had been submitted to the Commission by the Company had been submitted on April 22, 2022, and it provided data through March 31, 2022. Accordingly, PPL Corporation and the Rhode Island Attorney General reached an agreement based on that data, which was memorialized in the Settlement Agreement among PPL Corporation, PPL Rhode Island Holdings, LLC, and the Rhode Island Attorney General. The Company's petition filed with the Commission in this docket reflects the March 31, 2022 date because it is the date that was negotiated and agreed upon with the Rhode Island Attorney General and set forth in the Settlement Agreement.

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PUC 1-5

Request:

What was the rationale for choosing to include “Protected Status” customer and not limiting it to customers on the low-income discount? Protected status customer is a customer who receives a protection from termination of service during the winter moratorium as a result of a life circumstance that is temporary in nature or for whom additional payment plan options are available under the Rules and Regulations Governing the Termination of Electric Gas and Water Utility Service.

Response:

The inclusion of “Protected Status” customers in the arrearage forgiveness provision of the Settlement Agreement among PPL Corporation, PPL Rhode Island Holdings, LLC, and the Rhode Island Attorney General was the result of negotiations between PPL Corporation and the Rhode Island Attorney General to provide a benefit to these customers. The Company has included the “Protected Status” customers in its petition filed with the Public Utilities Commission in this docket to fulfill its obligations under the Settlement Agreement.

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PUC 1-6

Request:

Why was the 90+ days' arrearage chosen as the threshold for identifying accounts to be forgiven?

Response:

The arrearage forgiveness provision of the Settlement Agreement among PPL Corporation, PPL Rhode Island Holdings, LLC, and the Rhode Island Attorney General was the result of negotiations between PPL Corporation and the Rhode Island Attorney General. The 90+ days in arrears position was the result of a compromise that was reached during those negotiations, which the parties memorialized in the Settlement Agreement. The Company has included that threshold in its petition filed with the Public Utilities Commission in this docket consistent with its obligations under the Settlement Agreement.

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PUC 1-7

Request:

Referencing Attachment B, please explain why there are two lines for Narragansett Electric and Narragansett Gas (for example, see page 3 above the highlighted totals)?

Response:

There are two lines for Narragansett Electric and Narragansett Gas on Attachment B to the Company's petition because the data are broken out by accounts that were in "Active" status and "Final" status as of March 31, 2022. The first line represents those accounts in "Active" status as of March 31, 2022; the second line represents those accounts in "Final" status as of March 31, 2022. An account is in "Final" status when the Company has issued the customer's last bill on the account and the customer is no longer receiving service for that account.

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PUC 1-8

Request:

Please provide an updated Attachment B as of July 15, 2022.

Response:

Please see Attachment PUC 1-8.

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Attachment PUC 1-8

Attachment PUC 1-8 has been provided as an excel attachment.

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PUC 1-9

Request:

For each account identified in the filed Attachment B (April 1, 2022) as being eligible for arrearage forgiveness, please provide the rate class, current balance, arrearage, and aging information. Please list as accounts 1 through the ending number and not by account information so as to avoid a confidential filing.

Response:

Please see Attachment PUC 1-9.

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Attachment PUC 1-9

Attachment PUC 1-9 has been provided as an excel attachment.

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PUC 1-10

Request:

How much total funding did customers receive from the American Rescue Plan Act (ARPA) utility relief funds? Please answer separately for electric and gas. If the amounts can be broken down by rate class, please do so.

Response:

National Grid has confirmed that, as of July 13, 2022, a total of \$12,692,252 (\$8,521,050 for electric and \$4,171,202 for gas) in funding from RI Housing's RentReliefRI Program has been applied to The Narragansett Electric Company's customers' accounts. The Company is in the process of obtaining this information broken down by rate class and will supplement this response once it has done so. An additional approximately \$4.5 million in funding also has been approved and transferred to customer accounts; however, the Company has not yet manually verified this amount, which is an ongoing process. The Company will continue to complete its manual verification and confirmation steps for additional approvals provided by RIHousing.

Please see Attachment PUC 1-10 for the total amount of confirmed Emergency Relief Assistance Program payments to customers by month.

<u>Date</u>	<u>Sum of Payment Amount</u>
<u>2021</u>	
Jun	\$ 46,641.86
Jul	\$ 370,868.83
Aug	\$ 677,376.74
Sep	\$ 984,492.35
Oct	\$ 1,143,936.85
Nov	\$ 2,156,275.48
Dec	\$ 1,305,899.13
<u>2022</u>	
Jan	\$ 1,637,818.81
Feb	\$ 1,991,164.76
Mar	\$ 1,122,424.49
Apr	\$ 371,630.60
May	\$ 149,140.22
Jun	\$ 559,127.80
Jul	\$ 175,453.89
Grand Total	\$ 12,692,251.81

<u>Date</u>	<u>Electric</u>	<u>Gas</u>	<u>Grand Total</u>
<u>2021</u>			
Jun	\$ 33,903.64	\$ 12,738.22	\$ 46,641.86
Jul	\$ 267,175.74	\$ 103,693.09	\$ 370,868.83
Aug	\$ 456,137.15	\$ 221,239.59	\$ 677,376.74
Sep	\$ 674,749.97	\$ 309,742.38	\$ 984,492.35
Oct	\$ 774,166.93	\$ 369,769.92	\$ 1,143,936.85
Nov	\$ 1,487,900.85	\$ 668,374.63	\$ 2,156,275.48
Dec	\$ 837,757.17	\$ 468,141.96	\$ 1,305,899.13
<u>2022</u>			
Jan	\$ 1,117,975.46	\$ 519,843.35	\$ 1,637,818.81
Feb	\$ 1,294,409.22	\$ 696,755.54	\$ 1,991,164.76
Mar	\$ 761,630.46	\$ 360,794.03	\$ 1,122,424.49
Apr	\$ 247,382.35	\$ 124,248.25	\$ 371,630.60
May	\$ 87,469.38	\$ 61,670.84	\$ 149,140.22
Jun	\$ 360,621.98	\$ 198,505.82	\$ 559,127.80
Jul	\$ 119,769.28	\$ 55,684.61	\$ 175,453.89
Grand Total	\$ 8,521,049.58	\$ 4,171,202.23	\$ 12,692,251.81

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PUC 1-11

Request:

Please confirm that utility assistance under ARPA funding was available for arrearages accrued between March 13, 2020 for a period of up to 18 months. Otherwise, please clarify the time period.

- a. How did the Company apply ARPA funds to arrearages (e.g. oldest first, etc.)?
- b. If the effect of ARPA funding can be seen in the Docket 4770 low income monthly report, please identify where. Please note that this last question is not seeking an answer that there is no line item. The question is seeking to understand if there was a particular time period when significant amounts of funding were being applied on a multitude of accounts (similar to the application of LIHEAP funding).

Response:

Utility assistance under ARPA funding was available for arrearages accrued back to April 1 2020, not to exceed 18 months of assistance for each individual applicant.

- a. The Company applies ARPA funds to arrearages in accordance with the Company's payment posting rules. With exceptions, the payments are applied to the oldest arrearages first. The two most common exceptions are for customers who have entered into extended and deferred payment arrangements and customers who participate in the Arrearage Management Program. This process is typical in how utilities handle an arrearage that is "locked" for future payment or forgiveness. In these instances, the payments post first to the current amount due under those arrangements.
- b. The Company's Low-Income Monthly Report that it files in Docket 4770 does not separately report the receipt of ARPA grants. Please see Attachment PUC-1-10 for the total amount of Emergency Relief Assistance Program payments to customers by month. The payments were provided monthly to show the periods where the largest amount of funding posted to the accounts. There is not an easily identifiable impact of these payments to the Docket 4770 report monthly arrearage amounts due to the increases in arrears during the colder months. Netting the monthly amounts from the Docket 4770 report, however, demonstrates that the arrears during the months reflected in Attachment PUC 1-10 would have been greater if the grants had not been provided.

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PUC 1-12

Request:

RI Energy proposes to forgive the arrearage amounts listed in the filed Attachment B based on the balances as of March 31, 2022, without adjusting for any payments that may have been received since that date. Please explain whether this would apply if a customer's entire arrearage balance was satisfied through the receipt of a customer payment or third-party funding including utility relief funding provided through the ARPA funds. Using the information provided in PUC 1-7, please identify all of the accounts that received ARPA utility relief and any account where the full arrearage was satisfied.

Response:

As a matter of clarification, the Company notes that it confirmed with the Public Utilities Commission (the "Commission") that the reference to "Using the information provided in PUC 1-7" in the request should instead refer to PUC 1-9.

The Company proposed to apply the arrearage forgiveness of the balances as of March 31, 2022 to all customers identified, and this forgiveness would apply even if the customer's entire arrearage balance was satisfied through the receipt of a customer payment or third-party funding, including utility relief provided through ARPA funds.

Please see Attachment PUC 1-12 for the accounts that received ARPA utility relief. The accounts identified in Attachment PUC 1-12 are all the accounts that received ARPA utility relief, and the number in column A corresponds to number assigned to each such account in Attachment PUC 1-9. As reflected in Attachment PUC 1-12, there are 1014 total accounts that received ARPA utility relief. Of those 1014 accounts, 1006 have had their full arrearage satisfied, and the eight other accounts have minimal arrearage balances.

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Attachment PUC 1-12

Attachment PUC 1-12 has been provided as an excel attachment.

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PUC 1-13

Request:

If a customer previously identified in Attachment B now has a zero-arrearage balance for past due funds over 90 days, should that customer receive an additional credit where there are no longer qualified arrearages to be forgiven? If so, why?

Response:

The Company's petition filed with the Public Utilities Commission in this docket is intended to fulfill its obligations under the Settlement Agreement among PPL Corporation, PPL Rhode Island Holdings, LLC, and the Rhode Island Attorney General. The Settlement Agreement, including Attachment B thereto, reflects data and information that was available to the parties as of the point in time they reached agreement on this particular term of the Settlement Agreement. The Company proposes to provide arrearage forgiveness to the customers identified in Attachment B based on its understanding of what is necessary to fulfill its obligations under the Settlement Agreement.

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PUC 1-14

Request:

Will “final” accounts listed on Attachment B (April 1, 2022) as 90+ days’ have their arrearages forgiven? Why or why not?

Response:

Yes, “final” accounts listed on Attachment B as 90+ days will have their arrearages forgiven. The Company’s petition is intended to fulfill its obligations under the Settlement Agreement among PPL Corporation, PPL Rhode Island Holdings, LLC, and the Rhode Island Attorney General. The Company proposes to provide arrearage forgiveness to these customers based on its understanding of what is necessary to fulfill its obligations under the Settlement Agreement.

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PUC 1-15

Request:

How will the Company treat a customer account that was identified in Attachment B as of April 1, 2022 that has since been closed and fully satisfied?

Response:

For a customer account that was identified in Attachment B as of April 1, 2022, that has been closed and satisfied, the Company will produce a report that reflects any credit balance remaining on the closed accounts. These accounts will then go through the CSS refund process, which includes sending a check to the customer of record. This information will then be stored in CSS and the Call Center agents will be able to see what occurred and answer any customer questions.

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PUC 1-16

Request:

The Company has requested a finding that the arrearage forgiveness mechanism being proposed does not violate R.I. Gen. Laws §§ 39-2-2 and 39-2-3. Given that the proposal carves out eligibility within a single rate class and is based on a fixed amount at a fixed point in time, consider and respond to the following hypothetical: there are two residential customers who are classified as being in the A-16 rate class. Customer A contacted the Company to provide evidence that they were unemployed and receiving unemployment compensation. Customer B was unemployed but did not contact the Company until the end of the Winter Moratorium, after receiving a termination notice in April 2022. Each had a \$1,000 balance more than 90 days in arrears as of March 31, 2022.

- a. Would either of these customers have been identified as eligible for arrearage forgiveness?
- b. If Customer A would have been identified but Customer B would not have been, how is this not undue discrimination of similarly situated customers?
- c. What if Customer B provides notification to the Company now that they were unemployed as of March 31, 2022? Should that customer be entitled to arrearage forgiveness? If not, how is that not unreasonably discriminatory?
- d. Now consider Customer C, an A-16 customer who had no arrearage as of March 31, 2022. Customer C lost their job, was receiving unemployment compensation, and contacted the Company. Customer C now has an arrearage over 90 days as of July 15, 2022. Customer C would be considered a Protected Status customer. The Commission makes a decision in this case on September 1, 2022. How is the proposal not discriminatory as to these three customers?

Response:

The Company notes that subparts b, c and d of this data request seek legal analyses and conclusions. Accordingly, the Company is providing responses sponsored by the Legal Department with respect to the legal analysis and conclusions provided in this response and does not offer a fact witness on those issues.

- a. Customer A would have been identified as eligible for arrearage forgiveness. Customer B would not have been identified as eligible for arrearage forgiveness.

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- b. As the Rhode Island Supreme Court held in *The Energy Council of Rhode Island v. Public Utilities Com'n*, 773 A.2d 853, 861-62 (R.I. 2001), treating customers differently only constitutes “an undue or unreasonable preference” if the two groups at issue receive “a like and contemporaneous service . . . under substantially similar circumstances[.]” In *The Energy Council of Rhode Island*, the Rhode Island Supreme Court affirmed a Public Utilities Commission decision setting differing rates for last resort service for non-residential customers from the last resort service rate for residential customers. The Supreme Court affirmed the differing rates *even though* there was no cost differential to the utility to provide the service to the two sets of customers. The Supreme Court reasoned that the “varying circumstances” of the two sets of customers supported the conclusion that there was no “‘unreasonable’ or ‘undue’ preference or advantage” created by the establishment of the different rates. Accordingly, differential treatment of customers does not run afoul of R.I. Gen. Laws §§ 39-2-2 and 39-3-3 if there are differing circumstances between the customers being treated differently.

Here, PPL Corporation negotiated the Settlement Agreement with the Rhode Island Attorney General at a particular point in time and set forth a benefit to be provided to customers based on the information as it existed at that particular point in time. Under the hypothetical scenario set forth in this data request, there is a substantial difference between Customer A and Customer B as of the point in time for determination of the arrearage forgiveness. Customer A is a “protected status customer” under the Public Utilities Commission Rules and Regulation Governing the Termination of Residential Electric, Gas and Water Service (the “Termination Rules”); Customer B is not. *See* 810 RICR-10-00-1.2(A)(5)(a) (“‘Protected status customer’ means a residential customer about whom the public utility **has evidence** that the customer is . . . unemployed as demonstrated through verification by [the Department of Labor and Training] that the person is currently receiving unemployment compensation[.]”) (emphasis added). Accordingly, even though both Customer A and Customer B were unemployed as of March 31, 2022, only Customer A had taken the step of establishing qualification as a protected status customer under the Termination Rules. Treating customers who qualify as protected status customers differently from those who do not is an established acceptable practice. Under the Termination Rules, the utility cannot terminate service to a protected status customer during the utility termination moratorium period, whereas customers who have not demonstrated that they qualify as a protected status customer do not have such protection (although someone who was “unaware” of their “protected status” at the time of termination has a right to have it “restored immediately” upon demonstrating qualification as a protected status customer).

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Thus, as already recognized in the Termination Rules, differing treatment of two customers, one who **does** qualify as a protected status customer and one who **could** qualify as a protected status customer is permissible. Here the differing treatment with respect to arrearage forgiveness is reasonable and appropriate for at least two reasons.

First, the reasons for treating protected status customers differently under the Termination Rules also apply to the arrearage forgiveness under the Settlement Agreement. Protected status customers and others who receive protections under the Termination Rules receive those protections because they are at greater risk of losing utility service and facing more extreme adverse consequences as a result of lost utility service. Providing arrearage forgiveness to these customers further helps alleviate the risks faced by these more vulnerable customers.

Second, the proposed arrearage forgiveness established under the Settlement Agreement among PPL Corporation, PPL Rhode Island Holdings, LLC, and the Rhode Island Attorney General necessarily identified a particular point in time for the provision of a substantial benefit to customers. The potential issue of changing customer eligibility cannot be eliminated. If The Narragansett Electric Company d/b/a Rhode Island Energy ("Rhode Island Energy" or the "Company") is to provide arrearage forgiveness to this class of customers at all, then such arrearage forgiveness will necessarily be provided as of a particular point in time. Whatever dates are chosen, there will be customers who **could have been** eligible as of that date but **did not become** eligible until after that date. Like under the Termination Rules, such customers do not retroactively receive all the benefits of protected status customer eligibility that they could have received if they had demonstrated their qualifications sooner (*i.e.*, a customer who **could have been** a protected status customer, but did not do so, and had their electric service terminated during the moratorium period, who then **demonstrates eligibility** after the service termination and has their power "restored immediately" does not receive any recompense for having been terminated in the first place).

Moreover, unless specifically provided for, a rule change altering the criteria by which a customer could qualify as a protected status customer and expanding the universe of eligible customers would not entitle all customers who met the new standard as of the effective date of the new rule to receive retroactively all the benefits afforded to protected status customers for the time that the customer would have qualified had the new rule been in place historically. Here, the Public Utilities Commission has the authority to determine that providing this benefit to this subset of customers as negotiated between PPL Corporation and the Rhode Island Attorney General is a reasonable and just preference. *See The Energy Council of Rhode Island*, 773 A.2d at 862 n.10; R.I. Gen. Laws § 39-1-3(a) (setting forth the powers and functions of the Public Utilities

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 22-08-GE
In Re: Petition for Authority to Forgive Certain Arrearages
for Low-Income and Protected Customers
Responses to the Commission's First Set of Data Requests
Issued on July 7, 2022

Commission, including determining the “reasonableness of . . . accommodations of . . . gas [and] electric distribution . . . public utilities”).

Accordingly, under the rule set forth in *The Energy Council of Rhode Island*, the proposed differing treatment of Customer A and Customer B in the proposed hypothetical scenario is not undue discrimination of similarly situated customers proscribed under R.I. Gen. Laws § 39-2-2, nor is it an unreasonable or undue preference under R.I. Gen. Laws § 39-2-3.

- c. Please see the Company's response to subpart b, above. The Company further states that, in the revised hypothetical scenario proposed in subpart c, Customer B remains a customer who **could have** been a protected status customer as of the March 31, 2022, date that the Settlement Agreement set as the trigger date for the arrearage forgiveness benefit but was not yet a protected status customer as of that date. As discussed in subpart b, above, any benefit would be provided as of a specific date, and there will always be shifts in customer eligibility, regardless of when the trigger date is set. It is not unreasonable that benefits that accrue to a class of persons – whether it is protected status customers or any other group of persons who are entitled to a benefit because of their status – receive differing levels of benefits based on the time at which they qualified for those benefits.

A similar scenario occurs in the context of class action litigation. The class representatives in such litigation represent the class members as defined in the context of the litigation. *See, e.g., In re Dial Complete Marketing and Sales Practice Litigation*, 312 F.R.D. 36, 52 (D.N.H. 2015) (describing the definition of the certified class as purchasers of a certain product “during a fixed time period”). Thus, it is commonly understood that, when providing benefits to a class of people, it is reasonable and just to treat otherwise similarly situated people differently based solely on the time period in which a person met the criteria to be a part of the class.

- d. Please see the Company's responses to subparts b and c, above. Rhode Island Energy further states that it proposed arrearage forgiveness equal to the amount that was 90+ days overdue as of the March 31, 2022, trigger date for low-income and protected status customers proposed because that is what PPL Corporation and the Rhode Island Attorney General agreed Rhode Island Energy would seek under the Settlement Agreement. If the Public Utilities Commission determines that a different arrearage forgiveness plan would be more appropriate, Rhode Island Energy would not object, provided that the total amount of the arrearage forgiveness Rhode Island Energy provides does not exceed the \$43.5 million agreed upon in the Settlement Agreement.