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August 12, 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 Second Set of Data Requests, issued on July 29, 2022 (the "Second 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
62939483

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 7/18/2022

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Interested Party/Individual		

National Grid	Theresa.Burns@nationalgrid.com;	
	Scott.McCabe@nationalgrid.com;	

PUC 2-1

Request:

The Company's response to PUC 1-9 suggests that the Company may have misunderstood the PUC's question. Assume the following:

- $50 million will be projected to be credited to all active customer accounts after the date of the PUC's decision (not those identified on May 25, 2022).
- Active residential accounts would be credited through a fixed monthly credit on their bills of $10.62 (electric) or $10.69 (gas) for each bill sent to each active residential account in the months of November 2022, December 2022, January 2023, February 2023, March 2023, and April 2023 to mitigate the monthly impact of the expected higher electric and gas winter bills.
- In May or June 2023, RI Energy would file with the Commission an accounting of the total amount credited against the $50 million settlement amount. Any over-crediting would be collected through a factor while any under-crediting would be applied to benefit of ratepayers.
- All active nonresidential electric accounts would receive a one-time bill credit and nonresidential gas accounts would receive a one-time bill credit. The active accounts billed in the month following the Commission's decision in this matter would receive the credit. Electric example: $4.1M/total customers as of date of Commission's decision = $customer credit.

Under this scenario, please respond to the following:

(a) would the scenario above impact the overall transition project timeline identified by the Company in PUC 1-9 in the first bullet point under "Impacts to the Company"? If so, please explain and quantify the impact.
(b) would the scenario above result in "significant increased programming efforts"? If so, please explain and quantify the impact.
(c) would the scenario above result in a high complexity in reconciliation? If so, please explain and quantify.

Response:

(a-c). Yes. The effort to implement the credit posting over a period of six months, as described in this data request, would pose significant risk to the transition project timeline, result in significant increased programming efforts, and require some complexity in reconciliation.

To program and implement the bill credit, the Company will create and execute a one-time miscellaneous adjustment that involves building a new program with the necessary features,

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including the: (a) target population, (b) amount to be credited, and (c) proper General Ledger accounting. After building the program, the Company will need to test it, schedule it to be implemented, and implement it multiple times across multiple bill groups. The Company would post the credits in batches of up to 65,000 credits per day. After the batch process is implemented, any exceptions or billing errors that occur would have to be reviewed and manually corrected. To post this credit to customer accounts over six months, the Company would need to identify the new target population each month to account for newly activated customers and customers whose service has been discontinued. Each additional monthly run would have to follow the same process as the initial process: testing, scheduled run, posting over multiple bill groups, and reviewing and correcting any exceptions or billing errors manually.

This programming complexity and effort will require the Company to divert resources from the critical work necessary for the Company to transition off of the Transition Services Agreement (the "TSA") in a timely manner and on schedule. While implementing the bill credit over six months versus one month, there will be transition items that cannot be worked until this process is concluded. The Company will need to divert its attention and resources (including resources from the Company's affiliates and contractors/consultants), as well as National Grid USA Service Company, Inc. resources, away from significant projects underway that will enable the Company to complete the transition of IT systems and terminate the TSA on time and on schedule. For example, the resources needed for all the above processes are the same National Grid employees that are working with PPL on the design and implementation of the Rhode Island CSS integration to the PPL CSS. In addition, the Company anticipates that it will have to pull resources from the transition team to manage exceptions and billing errors. Extending this process over a six-month period rather than a one-month period exacerbates the impact to the overall transition timeline.

Finally, despite the ability to over-credit and receive recovery or return any unused funds to customers, the Company still must gather the data and develop the processes to perform the reconciliation. Following the final month of posting bill credits and working exceptions, the Company would need to report the exact amount of credits applied (over or under the target) over the course of the six-month period and either (1) develop a proposal to recover the costs (over credit) or (2) develop a proposal to return any remaining amount to customers (under credit). Additionally, the Company would have to submit the accounting and proposed method to the Commission for approval and develop and implement the necessary processes to apply the method to customer bills and rates. Each of these steps will require additional diversion of resources away from other tasks, including transition tasks.

The Company wishes to work with the stakeholders to determine the best method for providing the $50 million bill credits to customers as soon as possible.

Prepared by or under the supervision of: Chris Ann Rossi