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August 22, 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 Responses to the Public Utilities Commission's Third Set of Data Requests, issued on August 16, 2022.

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
62955599

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 8/19/2022

| Name /Address | E-mail Distribution List | Phone |
|--|--|---|
| The Narragansett Electric Company d/b/a Rhode Island Energy Andrew S. Marcaccio, Esq. Celia B. O’Brien, Esq. 280 Melrose Street Providence, RI 02907 Adam M. Ramos, Esq. Hinckley Allen 100 Westminster Street, Suite 1500 Providence, RI 02903-2319 | JScanlon@pplweb.com ; COBrien@pplweb.com ; AMarcaccio@pplweb.com ; SBriggs@pplweb.com ; JOliveira@pplweb.com ; ARamos@hinckleyallen.com ; CWhaley@hinckleyallen.com ; | 401-784-4263 401- 457-5164 |
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| Interested Party/Individual | | |

| | | |
|--|---|--|
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The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 22-07-GE
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PUC 3-1

Request:

In the Company’s response in PUC 2-1, is the Company describing a monthly manual process? If so, why could the process not be automated to effectuate the monthly bill credit for the months November through April?

Response:

Yes, the Company’s response to PUC 2-1 describes a monthly manual process. The Company cannot automate the process to effectuate the monthly bill credit for the months November 2022 through April 2023 because the time necessary to create the automated process will not permit the Company to have the automated process in place in time to commence processing the bill credits in November 2022. The Company has determined that it will take three to four months to create an automated process from the time the Company determines the specific parameters for the process and is able to commence development. That process will take that amount of time because the Company must define the requirements and rules around the new billing component it will create. Additionally, the new component would require modeling in the billing system on all impacted service classifications and rate codes, which would include many table updates and minor code changes depending on the requirements. The modeler must unit test the new billing component before the new modeling is turned over for user acceptance testing (“UAT”). UAT would include executing a test bill scenario to verify the bill calculation and appearance on the bill for every service classification and rate code impacted along with other test conditions for billing. Then, once all these steps are complete, the Company will be able to migrate the automated process for the new billing component to production to apply it to customer bills.

PUC 3-2

Request:

In PUC 1-5, the electric customer credit was calculated at \$63.72. This amount, spread over 6 months, results in a monthly credit of \$10.62. Based on this assumption, please explain whether the Company could provide a monthly residential bill credit through a reduction of the customer charge on bills rendered during the months of November 2022 through April 2023 (Ex: customer charge on residential customer’s bill is a credit of \$4.62). If not, why not? Please note that any over- or under-recovery of the \$50 million would be subject to reconciliation after April 2023.

Response:

The Company could provide a monthly residential bill credit through a reduction of the customer charge during the months of November 2022 through April 2023. If the Commission directs the Company to provide a monthly residential bill credit through a reduction of the customer charge on bills rendered during the months of November 2022 through April 2023, the Company will need a minimum of 30 days to perform the work necessary to apply the credits to customer accounts. In addition, the Company notes the following complications that would arise if it provides the bill credits using this method:

- The credit would be netted out against the customer charge revenue making the reconciliation of the credit difficult because they would be using the same charge type and accounting. Once the credits are posted on the accounts, the accounting department would need to “move” these credits from the revenue general ledger to the appropriate expense account.
- The reconciliation process above is further complicated because of canceled charges from a prior period that requires rebilling. When a bill is canceled, all charges, inclusive of the customer charge, would need to be rebilled. This would require several months of accounting oversight and a process to allow for the customer charge method for affected accounts to post appropriately in the next billing period.
- There are contract accounts called “Multiple Dwellings.” This contract type lets the billing system know that the customer charges need to be multiplied by the number of dwellings in the premise. If an account has 10 dwellings, then the customer charge is multiplied by 10. This means the credit amount would also be multiplied for those accounts.

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- The customers may not receive the full monthly credit for any bill that was produced for less than 26 days.- The Company prorates the customer charge on first and final bills that do not meet the 26 or greater day rule.

An example of the customer charge proration for such a bill is set forth below.

Reduced Customer Calculation:

| | |
|---|-----------------------------------|
| Number of Days in Final Bill | 20 |
| Reduced Customer Charge | (\$4.62) |
| Proration Factor (20 days/30 days) | 0.666667 |
| Multiple Proration Factor * Customer Charge | (\$3.08) Prorated Customer Charge |

- Customers enrolled in the Company’s Low Income Discount Rate Program will not receive their full discount. Please see the Company’s response to PUC 3-4 for an explanation of how applying the credit through a reduced customer charge affects customers on the low-income rates.

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PUC 3-3

Request:

If the response to PUC 3-2 is that it is possible but that it would have challenges, similar to those raised in PUC 1-9 and PUC 2-1, please explain and quantify them. Please note that any over- or under-recovery of the \$50 million would be subject to reconciliation after April 2023.

Response:

Providing the credit as an adjustment to the customer charge would not result in challenges similar to those raised in the Company’s responses to PUC 1-9 and PUC 2-1. The Company has, however, identified different challenges that would result from applying the credits in this manner. Please see the Company’s response to PUC 3-2 for a description of these challenges.

PUC 3-4

Request:

Under the company’s proposal, is the miscellaneous credit applied before or after the low income discount? Would applying the customer credit as proposed in PUC 3-2 result in the full settlement amount being returned to customers? If not, please explain. Under the proposal in PUC 3-2, would the A-60, R-11 and R-13 rate classes receive their full allocation of the \$50 million credit? If not, please explain.

Response:

Under the Company’s proposal, the Company would apply the miscellaneous credit after applying the low-income discount, and therefore the credit would not impact the low-income discount. Under the proposal set forth in PUC 3-2, the full settlement amount would not be returned to customers because customers on the A-60, R-11, and R-13 rates would not receive the full bill discount. These rates apply a 25% or 30% discount on all components of the bill, including the customer charge, and the billing system applies that discount on the total bill inclusive of all charges. The following example demonstrates the relative impacts on a low income customer’s bill when the Company applies the credit as a miscellaneous credit versus applying it as an adjustment to the customer charge.

Applying a Miscellaneous Credit

Bill Amount before any discounts: \$100

- Includes low-income customer charge of \$6.00

25% Low Income Discount: (-\$25)

Miscellaneous Bill Credit: (-\$10.62)

Final Bill Amount: \$64.38

Adjusting the Customer Charge

Bill Amount before any discounts: \$89.38

- Includes low-income customer charge equal to a credit of (-\$4.62), which is the regular low-income customer charge of \$6.00 less the \$10.62 credit amount

25% Low Income Discount: (-\$22.34)

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Final Bill Amount: \$67.04

Accordingly, applying the bill credits as adjustments to the customer charge would reduce the value of the credits to low-income customers, in this example, by \$2.66.

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PUC 3-5

Request:

If the Commission were to approve the one-time crediting proposal, please indicate if there is a preferred month, explaining and justifying the response.

Response:

The Company does not have a preferred month to apply the credits. If the Commission approves the one-time crediting proposal, the Company will need a minimum of 30 days to perform the work necessary to apply the credits to customer accounts as described in the Company’s response to PUC 2-1.