



STATE OF RHODE ISLAND
OFFICE OF THE ATTORNEY GENERAL

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Peter F. Neronha
Attorney General

September 7, 2022

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

**RE: *IN RE: THE NARRAGANSETT ELECTRIC COMPANY D/B/A RHODE ISLAND
ENERGY TARIFF ADVICE BILL CREDITS FOR ELECTRIC AND GAS
CUSTOMERS
DOCKET NO. 22-07-GE***

Dear Ms. Massaro:

Enclosed please find for filing an original and nine (9) copies of the Attorney General's Position Memorandum in the above-referenced docket.

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: THE NARRAGANSETT ELECTRIC :
COMPANY D/B/A RHODE ISLAND ENERGY : **DOCKET NO. 22-07-GE**
TARIFF ADVICE BILL CREDITS FOR :
ELECTRIC AND GAS CUSTOMERS :

**THE ATTORNEY GENERAL OF THE STATE OF RHODE
ISLAND’S POSITION MEMORANDUM**

NOW COMES Peter F. Neronha, Attorney General of the State of Rhode Island (“Attorney General”), and hereby provides the following memorandum outlining his position with respect the above-captioned docket.

I. Background

Pursuant to a settlement agreement dated May 19, 2022 by and among PPL Corporation, PPL Rhode Island Holdings, LLC (collectively, “PPL”), and the Attorney General (the “Settlement Agreement”), PPL committed to the following:

Within 60 days of closing [on PPL’s purchase of the Company], PPL shall provide a credit to all of [the Company’s] electric and gas distribution customers in the total amount of \$50 million. Based on the relative number of electric distribution customers and gas distribution customers, PPL will credit \$32.5 million to electric customers and \$17.5 million to gas customers. Each electric customer will receive the same credit, and each gas customer will receive the same credit.

See Settlement Agreement at Exhibit C, (1)(a). Accordingly, through this docket, the Narragansett Electric Company d/b/a Rhode Island Energy (“Rhode Island Energy” or the “Company”), submitted a tariff advice pursuant to 810-RICR-00- 00-1.10(c) seeking to establish new temporary tariffs to provide the subject bill credit to all of the Company’s electric and gas distribution customers as agreed upon in the Settlement Agreement.

Specifically, the PPL-owned Rhode Island Energy has sought Commission approval for “(1) a temporary tariff providing a one-time bill credit of \$63.72 to be applied to each electric distribution customer account in all rate classes on the first bill after the effective date of the tariff, and (2) a revision to the gas tariff that creates a temporary section providing a one-time bill credit of \$64.15 to be applied to each gas distribution customer account in all rate classes on the first bill after the effective date of the tariff.” See Tariff Advice Filing Transmittal (June 24, 2022), Commission Docket 22-07-GE.

The bill credits that the Company seeks to provide in accordance with the Settlement Agreement represent monies secured for ratepayers to compensate for certain potential costs and to share in potential benefits of the transition of the Company’s ownership from National Grid USA to PPL. The Attorney General seeks to ensure that the bill credits from the Settlement Agreement are received by ratepayers and that the value of those bill credits is preserved through whatever mechanism the Commission may deem appropriate. These credits will also provide significant relief as electric and gas customers face markedly higher prices because of external factors such as Covid-19, the war in the Ukraine, and inflation.

II. The Company has raised several potential issues were the settlement funds disbursed gradually, which create concern.

The Attorney General’s top priority in this docket is ensuring that the public receives the full value of the rate credits secured in the Settlement Agreement. According to the Company, there are multiple potential complications that arise from attempting to spread credits out over a period of six months to counteract higher winter rates (especially the higher electric rates expected this coming winter). These issues include identifying and tracking the people who qualify for the credits across multiple rate classes when customers are added to service, discontinue service, or transfer between rate classes. See e.g. *Response to Data Request PUC 2-*

I. The Attorney General is also concerned that there is a risk of customers eligible for the credit not receiving the full amount of the credit (despite having been customers at the time of The Narragansett Electric Company sale closing) merely because of administrative hurdles related to spreading the credit. See *Response to Data Request PUC 1-9*. Despite these concerns, much like the Company, the Attorney General would not object to a PUC decision to approve the bill credits subject to a disbursement schedule adopted by the PUC. However, were that to be the case, the Attorney General would advocate for careful reporting requirements to ensure that the full \$50 million secured for Rhode Islanders reaches those customers who were enrolled in service at transaction approval, so that those customers can gain the settlement benefits secured on their behalf.

III. If distributed as a one-time payment, the rate credit can be used by customers whenever they determine there is the most need, whether in a single month, or over time.

Monthly expenses are a true hurdle for residential and small business customers facing precipitous rate credits this fall. However, spreading the rate credit across several months is not the only solution to this issue. If rate credits were received as a one-time payment, customers for whom monthly cash-flow is an important concern could choose to use that credit gradually over time, while those who prefer to have a one-time discount could realize the credit's savings in the first monthly bill. According to representations made by Rhode Island Energy, it is the Attorney General's understanding that upon receiving the rate credit, customers can still choose to pay some or all of their bill and leave the credit on their account to be used at the time most beneficial for them. For instance, if rate credits were disbursed in October 2022, a residential customer could pay their full bill amount in October and November, leaving the full rate credit for use in December. That way, the customer could use the credit when the weather is colder, bills are typically higher, and holiday expenses could be placing greater strain on their monthly budget.

Alternatively, customers could choose to spread their credit out over the winter months by simply short-paying by approximately \$10 and allowing that money to be applied from their credit balance. This would have the same effect as requiring the Company to disburse the credit in six separate payments but would allow customers to choose the method of bill reduction.

IV. Customer education is important to ensure that electric and gas customers understand the credits they receive.

The Attorney General believes it is of the utmost importance that customers receive information about the options they have when determining how to apply their rate credit. Accordingly, the Attorney General suggests that the Company provide a clear statement outlining the options available to those receiving a credit, including the options outlined in Section III above. This information should be both publicly available online and provided directly to the customers receiving credits along with an explanation that the credit was the result of the Settlement Agreement to help avoid confusion. While the information the Company proposes to provide on its bills would be helpful, the Attorney General believes these additional steps would assist in better information the public so that they can make informed decisions as to how they may want to use their bill credits.

V. If the Commission approves the requested one-time rate credits, those credits should be disbursed by the Company as soon as possible.

The PUC has requested that the parties in this docket respond to the following inquiry: “Assuming the Commission were to approve a one-time credit to customers, would the month during which the credit appeared on the bill matter? If so, why?”

In response, the Attorney General states that the credits should be provided to customers in October, or as soon as possible. The Settlement Agreement contemplated disbursement of the \$50 million in rate credits for the Company’s electric and gas customers within 60 days of the sale of Narragansett Electric (which closed on May 25, 2022). Thus, the parties had anticipated

rate credits being received by July 2022. The disbursement has already been significantly delayed, and the sooner the credits are disbursed, the sooner customers can receive the benefits secured for them via the Settlement Agreement. Moreover, as noted above, receiving the rate credit does not necessitate use of the credit in the month it is received. Therefore, customers who wish to use their credits over time or in a particular month will not be harmed by disbursement at the earliest time possible.

VI. Conclusion

For the reasons stated above, the Attorney General believes that the requested tariffs be approved and that the Company be allowed to provide rate credits as soon it is able to put the proper mechanisms in place. Additionally, the Attorney General would ask that customers be sent information explaining any rate credits they are receiving and outlining the ways in which they can choose to apply the credits to their bills.

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

Alison B. Hoffman (#9811)

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Dated: September 7, 2022

CERTIFICATE OF SERVICE

I hereby certify that on the 7th day of September 2022, the original and nine hard copies of this Memorandum were sent via in hand-delivery to Luly Massaro, Clerk of the Division of Public Utilities and Carriers, 89 Jefferson Boulevard, Warwick, RI 02888. In addition, electronic copies were served via electronic mail on the service list for this Docket on September 7, 2022.

/s/ Ellen Golde