

**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 FILING – BILL CREDITS** :  
**FOR ELECTRIC AND GAS CUSTOMERS** :

**ORDER**

On June 24, 2022, The Narragansett Electric Company d/b/a Rhode Island Energy (RI Energy or Company) (which is now under PPL ownership and control) filed a tariff advice with the Public Utilities Commission (Commission) to establish new, temporary tariffs to provide a bill credit to all of the Company’s electric and gas distribution customers.<sup>1</sup> According to the RI Energy, the filing was made to comply with its obligations under a May 19, 2022 Settlement Agreement entered into between the Rhode Island Attorney General (RIAG) and PPL Rhode Island Holdings, LLC in a Superior Court case.<sup>2</sup> Per the Settlement Agreement, the Company committed to credit a total of \$50 million to customers apportioned between electric and gas. A total of \$32.5 million in bill credits was to be allocated to electric customers and \$17.5 million in bill credits was to be allocated to gas customers.

To facilitate the application of the bill credits, the Company submitted the tariff advice filing to establish: (1) a temporary tariff providing a one-time bill credit 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 to create a temporary section providing a one-time bill

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<sup>1</sup> All documents filed in this matter can be found on the Commission’s website at: <https://ripuc.ri.gov/Docket-22-07-GE>.

<sup>2</sup> *Rhode Island Superior Court captioned Peter Neronha Attorney General of the State of Rhode Island v. Rhode Island Division of Public Utilities and Carriers, Linda George, Administrator in her Official Capacity Only; National Grid USA; Narragansett Electric; PPL Corporation; and PPL Rhode Island Holdings LLC*, C.A. No. PC-2022-01095. The RIAG had filed an administrative appeal from Division Order No. 24322 (Feb. 23, 2022), approving a May 4, 2021 joint petition filing by PPL Corporation, PPL Rhode Island Holdings, LLC, National Grid USA and The Narragansett Electric Company seeking the approval of the Division for authority to transfer ownership of Narragansett to PPL Rhode Island.

credit to be applied to each gas distribution customer account in all rate classes on the first bill after the effective date of the tariff.<sup>3</sup>

The RIAG intervened in the docket to support the Company's proposal.<sup>4</sup> The George Wiley Center, which is an organization advocating for the interests of low-income consumers in Rhode Island, intervened.<sup>5</sup> The Division of Public Utilities and Carriers expressed no objection to the temporary tariffs, and the Commission did not receive any objections from any other party.<sup>6</sup> In comments, the Governor suggested that the Commission spread the electric bill credit over a six-month period commensurate with the impact of the then-expected increase electric supply rates.<sup>7</sup> In his Memorandum, the RIAG explained that he would not object to a different crediting mechanism, but that he preferred a one-time credit as soon as practicable, noting that through the discovery process, the Company had raised valid issues about the feasibility and cost associated with returning the credit over several months. The RIAG raised additional concerns that the identified challenges may result in customers not receiving the full benefit contemplated under the Settlement Agreement.<sup>8</sup>

At an Open Meeting held on September 23, 2022, after reviewing the record, the Commission found that the Company met its obligation under the Settlement Agreement by filing temporary tariffs to distribute the agreed-upon bill credits. The Commission unanimously approve

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<sup>3</sup> RI Energy's Filing (June 24, 2022); [https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2022-06/22\\_07\\_GE\\_Elec\\_Tariff.pdf](https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2022-06/22_07_GE_Elec_Tariff.pdf); [https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2022-06/22\\_07\\_GE\\_Gas\\_Tariff.pdf](https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2022-06/22_07_GE_Gas_Tariff.pdf).

<sup>4</sup> RIAG Mem. of Support; <https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2022-09/2207-RIAG-PositionMemo%209-7-22.pdf>.

<sup>5</sup> Wiley Center Motion to Intervene. In Docket No. 4978 (Last Resort Service Rates), during the hearing, legal counsel to the Wiley Center advocated for the application of a one-time credit to electric customers as soon as possible. <https://video.ibm.com/recorded/132122702>.

<sup>6</sup> The Division questioned whether the Commission had jurisdiction, concluding that regulatory approval was not required.

<sup>7</sup> Governor McKee's Comments (Aug. 1, 2022); <https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2022-08/4978-2207EE-GovMcKee-Letter%208-1-22.pdf>.

<sup>8</sup> RIAG Mem. of Support at 2-3, 4-5.

the proposed electric Customer Bill Credit tariff and revised gas Customer Bill Credit tariff sheet for effect November 1, 2022, except that the applicability will apply to customers identified as of November 1, 2022. The effect of the change is that the Company will identify customers as of November 1, 2022, instead of May 25, 2022, and all of those customers will receive a uniform bill credit, ensuring that the full \$32.5 million is credited to electric customers and \$17.5 million is credited to gas customers. The one-time credit will ensure each current customer of record receives the full value of the credit. It is the methodology that is most consistent with the intent of the Settlement Agreement as discussed in the RIAG's memorandum. Furthermore, applying it in November is the first practical month in which the credit can be applied. It will allow all customers some up-front relief to the unprecedented higher winter electric supply rates.<sup>9</sup> The Company was ordered to make compliance filings to reflect the Commission's decision.

In Reply Comments submitted on September 13, 2022, Rhode Island Energy requested the Commission include language in the Order that allows it to characterize the credit as a refund of amounts previously collected from customers since the date of the transaction. At the hearing in Docket No. 4978 (Last Resort Service), which the Commission takes administrative notice of, the Company's witness explained that this characterization would allow her to book the total \$50 million liability and expense in one month and would make the accounting more transparent. This would also ensure the total amount is booked in a single fiscal year. Based on the testimony presented in the Last Resort Service matter and as further discussed in the Company's Supplemental Reply Comments in the instant matter, this was of particular concern when the Commission was considering spreading the credit over several months which would span more

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<sup>9</sup> The record reflected that the Company would need at least thirty days from the decision to have National Grid implement the credit on its behalf through the Transitions Services Agreement applicable to billings. Furthermore, in a separate matter, Docket No. 22-07-GE, the Commission approved certain arrearage forgiveness credits to apply in October. The Company explained that it can apply one set of credits in each month.

than one fiscal year. While the Commission did not directly rule on the request, they indicated that the proposed accounting approach appears reasonable. However, the Company should clearly demonstrate in its upcoming earnings reports that this allowed accounting treatment in no way affects the earnings sharing calculation to the detriment of ratepayers.

On September 27, 2022, RI Energy submitted tariff revisions to reflect the Commission's decision. At an Open Meeting held on September 28, 2022, the Commission reviewed the filings and found them to be in compliance with the Commission's September 23, 2022, decision.

Accordingly, it is hereby,

(24533) ORDERED:

1. The Narragansett Electric Company d/b/a Rhode Island Energy's proposed electric Customer Bill Credit tariff for effect November 1, 2022, is approved except that the applicability will apply to customers identified as of November 1, 2022. Section 1 "Applicability" shall be changed to: "This tariff applies to each electric distribution customer account in all rate classes as of November 1, 2022." "Bill Credit Amount" shall be changed to: "A uniform one-time credit will be applied to each customer account eligible under Section 1."
2. The Narragansett Electric Company d/b/a Rhode Island Energy's proposed gas Customer Bill Credit tariff sheet filed as Section 7, Miscellaneous Services, Schedule C, Sheet 10, Thirteenth Revision for effect November 1, 2022, is approved except that the applicability will apply to customers identified as of November 1, 2022. Section 1 "Applicability" shall be changed to: "This tariff applies to each electric distribution customer account in all rate classes as of November 1, 2022." "Bill Credit Amount"

shall be changed to: "A uniform one-time credit will be applied to each customer account eligible under Section 7, Schedule C, Section 4.1."

3. The Narragansett Electric Company d/b/a Rhode Island Energy's compliance filing made on September 28, 2022, is hereby approved for effect on November 1, 2022.
4. Rhode Island Energy shall advise the Public Utilities Commission, with a copy to the Service List on file with the Commission Clerk of the exact amount of the credit once calculated based on the number of customers identified for crediting.

EFFECTIVE AT WARWICK, RHODE ISLAND ON NOVEMBER 1, 2022, PURSUANT TO OPEN MEETING DECISIONS ON SEPTEMBER 23, 2022 AND SEPTEMBER 28, 2022. WRITTEN ORDER ISSUED OCTOBER 28, 2022.

PUBLIC UTILITIES COMMISSION



Ronald T. Gerwatowski, Chairman



Abigail Anthony, Commissioner



John C. Revens, Jr., Commissioner



**NOTICE OF RIGHT OF APPEAL:** Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within seven (7) days from the date of the order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.