



STATE OF RHODE ISLAND  
OFFICE OF THE ATTORNEY GENERAL

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*Peter F. Neronha*  
*Attorney General*

January 30, 2023

Luly Massaro, Clerk  
Division of Public Utilities and Carriers  
89 Jefferson Blvd.  
Warwick, RI 02888  
[Luly.massaro@puc.ri.gov](mailto:Luly.massaro@puc.ri.gov)

**RE: IN RE: INVESTIGATION OF UTILITY MISCONDUCT OR FRAUD BY THE  
NARRAGANSETT ELECTRIC COMPANY RELATING TO PAST PAYMENT OF  
SHAREHOLDER INCENTIVE  
DOCKET NO. 22-05-EE  
DOCKET NO. 5189**

Dear Ms. Massaro:

Enclosed please find for filing an original and nine (9) copies of the Attorney General's Objection to the Division of Public Utilities and Carriers' Motion to Dismiss, in the above-referenced dockets.

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](mailto:nvaz@riag.ri.gov)

Enclosures

Copy to: Service List

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

**IN RE: INVESTIGATION OF UTILITY MISCONDUCT** :  
**OR FRAUD BY THE NARRAGANSETT ELECTRIC** : **DOCKET NO. 22-05-EE**  
**COMPANY RELATING TO PAST PAYMENT OF** : **DOCKET NO. 5189**  
**SHAREHOLDER INCENTIVE** :

**THE ATTORNEY GENERAL’S OBJECTION TO  
THE DIVISION OF PUBLIC UTILITIES AND CARRIERS’  
MOTION TO DISMISS**

NOW COMES Peter F. Neronha, Attorney General of the State of Rhode Island (“Attorney General”), and pursuant to the Public Utilities Commission’s (the “Commission”) Rule of Practice and Procedure (“Commission Rule”) 1.16(D) hereby objects to the Division of Public Utilities and Carrier’s (the “Division”) Motion to Dismiss filed in the above-captioned docket. The Attorney General has intervened as a full party in this matter.

**I. Background**

In Commission Docket No. 5189, The Narragansett Electric Company (the “Company”) filed for approval of its 2022 Annual Energy Efficiency Plan (the “EEP”). This well-over \$100 million-per-year program is funded by ratepayers, mainly via surcharges on their utility bills. The program subsidizes energy efficiency improvements to Rhode Island buildings and homes and helps provide, among other things, energy efficiency audits, incandescent lightbulb replacement, subsidized insulation, and heating system and appliance rebates.

During the course of the proceedings in Docket No. 5189, the Company informed the Commission that it had discovered noncompliance with certain program rules, and that the Company had been delaying reports of certain work in order to maximize Company performance-based incentives available pursuant to the EEP. The Company has admitted that, as a result of this misreporting, certain monies were wrongfully received by the Company. Even the Company’s

own internal investigation suggests that as much as \$2.2 million was wrongfully received between 2012 and 2021. *See Review of Invoices within the Energy Efficiency Program*, Commission Docket No. 5189 (June 7, 2022). While the Company has made efforts to return at least some of that money, the fact remains that those incentives were wrongfully taken from the public.

On July 11, 2022, the Commission issued Order 24441 noticing the opening of investigatory Docket No. 22-05-EE. The Attorney General has been granted intervention to represent the State's interest, and as well as the interests of ratepayers and the public as a whole. Through data requests, the Commission and the parties to this proceeding, including the Division, have continued to work towards determining the full extent of the Company's misconduct and the full impact it has had on Rhode Islanders.

## **II. The Motion to Dismiss is Unsupported**

On January 19, 2023, the Division filed its Motion to Dismiss, which requests that the instant docket be dismissed without prejudice. The motion provides only a single-sentence explanation for its request: “[T]he Division submits that sufficient evidence exists in this docket to date to warrant an independent summary investigation by the Division, to include an audit of the Company, pursuant to R.I. Gen. Law[s] § 39-4-13.” The motion continues to explain what the Division intends to do independently following dismissal, and notes that, once its internal process is complete, it will provide a report to the Commission “outlining the Division’s findings and final decisions.”

The Attorney General submits that the Division has not shown sufficient grounds for dismissal of the Commission’s investigation, which has now been underway for more than six (6) months. While a thorough investigation by the Division into the Company’s misconduct is welcome, it is unclear why the Division (after months of actively participating in the Commission’s

investigation) is now seeking dismissal, rather than separately pursuing a parallel investigation of its own or seeking to conduct the referenced audit within the context of these proceedings. Agencies are free to investigate the same or similar issues simultaneously. This includes both civil and criminal investigations. Moreover, on its face, R.I. Gen. Laws § 39-4-13, does not suggest that the Division's decision to conduct an internal summary investigation somehow requires dismissal of the Commission's investigatory docket.

Docket 22-05-EE has already proven tremendously valuable as an opportunity for the public to track regulators' actions on a matter of great public import, and there is no reason to believe it will not continue to provide value in pursuit of a full understanding of the subject misconduct, and in determining potential remedies and/or penalties. The docket has afforded an opportunity for participation from the Commission, the Division, the Attorney General, and National Grid USA. Moreover, the service list to receives copies of filings and responses to data requests so that the information being provided by the Company can be directly examined by the public as well. Accordingly, this transparent and effective process should not be abandoned midstream.

### **III. Conclusion**

For the reasons stated above, the Attorney General respectfully requests that the Commission deny the Division's Motion to Dismiss and continue its investigation into this extremely serious matter.

Respectfully submitted,

PETER F. NERONHA  
ATTORNEY GENERAL OF THE  
STATE OF RHODE ISLAND

By his Attorney,

/s/ Nicholas M. Vaz  
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Dated: January 30, 2023

CERTIFICATE OF SERVICE

I hereby certify that on the 30<sup>th</sup> day of January 2023, the original and nine hard copies of this Objection were sent via hand-delivery to Luly Massaro, Clerk of the Division of Public Utilities and Carriers, 89 Jefferson Boulevard, Warwick, RI 02888. In addition, electronic copies of the within was served via electronic mail on the service list for this Docket January 30, 2023.

/s/ Nicholas M. Vaz\_\_\_\_\_