

State of Rhode Island

Public Utilities Commission

Minutes of Open Meeting Held on September 28, 2022

An Open Meeting of the Public Utilities Commission (Commission or PUC) was held September 28, 2022 at 1:30 P.M. in Hearing Room A, 89 Jefferson Boulevard, Warwick, Rhode Island to discuss, deliberate, and/or vote on the following dockets.

In attendance: Chairman Ronald Gerwatowski, Commissioner Abigail Anthony, Commissioner John Revens, Cynthia Wilson-Frias, John Harrington, Alan Nault, Todd Bianco and Emma Rodvien.

- I. Chairman Gerwatowski called the Open Meeting to order at 1:30 P.M. A quorum was present.

- II. **Docket No. 22-07-GE - The Narragansett Electric Co. d/b/a Rhode Island Energy (Company)** - This docket relates to the Company's tariff advice filing to establish new, temporary tariffs to provide a bill credit to all the Company's electric and gas distribution customers. The PUC considered the Company's compliance filing submitted in accordance with PUC Open Meeting decision on September 23, 2022. Chairman Gerwatowski moved to approve the compliance tariffs filed on September 27, 2022 for electric and gas in this docket as consistent with September 23, 2022 ruling. Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 3-0.**

- III. **Docket No. 4978 - The Narragansett Electric Co. d/b/a Rhode Island Energy (Company)** – This docket relates to the Company's proposed Last Resort Service rates for effect October 1, 2022. The PUC considered the Company's compliance filing reflecting the PUC's Open Meeting decision on September 23, 2022, approving the LRS rates and the deferral of the customer charges. Chairman Gerwatowski moved to approve the Narragansett Electric's September 27, 2022 filing as in compliance with the Commission's September 23, 2022 ruling. Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 3-0.**

- IV. **Docket No. 22-09-WW – Providence Water Supply Board (PWSB)** – At an Open Meeting on August 11, 2022, the Commission authorized Providence Water to recover cost associated with the payment of credit card, debit card and voice transaction fees (Electronic Payment Transaction Fees). The Commission ordered that Providence Water transfer to the Restricted Revenue Reserve, the actual amount of Electronic Payment Transaction Fees incurred from June 2020 – August 2022. Providence Water submitted a compliance filing on September 13, 2022. After review, Chairman Gerwatowski moved to approve Providence Water's September 13, 2022 as in compliance with the Commission's August 11, 2022 ruling. Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 3-0.**

- V. **Docket No. 4800 - Veolia Water Rhode Island (Company)** - In this docket, the Commission approved a Distribution System Improvement Charge (DSIC) that was designed to encourage accelerated capital investment in the Company's system. On

August 15, 2022, the Company filed to amend the DSIC surcharge and to amend the tariff language to include an explanation and the mechanics of the DSIC charge and its calculation. The Company proposed an effective date of September 29, 2022. On September 22, 2022, the Division of Public Utilities and Carriers filed a memorandum identifying a calculation error that Veolia had advised the parties of on that same day. The Division recommended approval of the additional 2.5% DSIC, bringing the total factor to 5%, but for effect on November 5, 2022, to comply with the restriction in the tariff that there would be no annual increase in the DSIC in excess of 2.5%. The current DSIC was approved for effect November 5, 2021. Veolia provided an email response that it did not object to the November 5, 2022 effective date. After review, the following motions were taken:

- Chairman Gerwatowski moved to find that good cause exists under R.I. Laws §39-3-12 to rule without a hearing because the underlying mechanism was approved as part of the last rate case and this filing represents a compliance tariff to that order. Commissioner Revens seconded the motion and the motion was unanimously passed. **Vote 3-0.**
- Chairman Gerwatowski moved to approve the additional 2.5% DISC factor bring the total factor to 5% for effect November 5, 2022. Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 3-0.**
- Chairman Gerwatowski moved to approve Veolia's revised tariff. Commissioner Revens seconded the motion and the motion was unanimously passed. **Vote 3-0.**

VI. **Docket No. 4373 – Interstate Navigation Company (Interstate)** – Interstate is required to submit annual earnings report pursuant to the Commission's approval of certain settlements that require Interstate to share with ratepayer earnings in excess of Interstate's allowed return on equity (ROE). On May 17, 2022, Interstate filed its earnings report for FY 2021 which showed that it had earned in excess of its allowed ROE in an amount to trigger a sharing of earnings 75% with customers and 25% to Interstate. Interstate calculated a ratepayer allocation of \$406,143 and requested approval to use those funds to replenish the fuel reserve. After negotiations between the Interstate and the Division of Public Utilities and Carriers (Division), it was agreed that the full amount of \$707,000 in Employee Retention Credit (ERC) funds Interstate had received would also be included in the ROE calculation. This inclusion increased the net income available for common equity to \$1,076,642. The revised earnings above the 12% ceiling totaled \$893,718, which results in \$670,289 available for ratepayers. In addition, \$42,880 is available to ratepayers from the tax savings on the ROE below the ceiling in conformity with the FY 2017 ROE report settlement agreement. Also, \$111,872 is available to ratepayers as a credit for tax expense on tax depreciation for assets purchase from the capital reserve. This results in a revised total of \$825,041 available to ratepayers. As a result of its review and revised calculations, the Division reviewed entered into a settlement with Interstate which was filed on September 9, 2022. The parties agreed to have Interstate Navigation transfer \$825,041 from the FY 2021 excess earnings to the fuel reserve to eliminate or reduce fuel surcharges for a number of months. After review, the following motions were taken:

- Chairman Gerwatowski moved to approve the Settlement Agreement between Interstate Navigation and the Division filed on September 9, 2022 as representing a fair means by which to benefit customers with their share of overearnings. Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 3-0.**

- Chairman Gerwatowski moved to require Interstate Navigation to make a filing in March 2023 to provide a schedule that includes an accounting of the application of settlement funds in the months of October 2022 through February 2023 and provide a projection of the depletion of the remaining funds. Interstate shall also provide notification to the Commission and the Division, the month prior to the depletion of funds, an updated schedule in the same format as the six-month report. Chairman Gerwatowski moved to approve Veolia's revised tariff. Commissioner Revens seconded the motion and the motion was unanimously passed. **Vote 3-0.**

VII. There being no further business to discuss, the Chairman adjourned the Open Meeting at 12:41 P.M. A web video of the Open Meeting discussion can be accessed at <https://video.ibm.com/recorded/132149591>.