

Jennifer Brooks Hutchinson
Senior Counsel
PPL Services Corporation
JHutchinson@pplweb.com

280 Melrose Street
Providence, RI 02907
Phone 401-784-7288



August 24, 2023

VIA ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Docket No. 22-49-EL-The Narragansett Electric Company d/b/a Rhode Island Energy
Advanced Metering Functionality Business Case
Post-Hearing Statement**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (“Rhode Island Energy” or the “Company”), attached is the electronic version of Rhode Island Energy’s Post-Hearing Statement.¹

Thank you for your time and attention to this matter. If you have any questions, please contact Jennifer Brooks Hutchinson at 401-316-7429.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Jennifer Brooks Hutchinson", with a long horizontal flourish extending to the right.

Jennifer Brooks Hutchinson

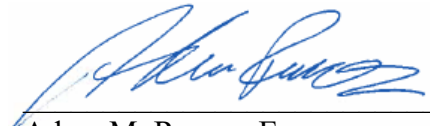
Enclosures

cc: Docket No. 22-49-EL Service List
John Bell, Division
Leo Wold, Esq.

¹ Per communication from Commission counsel on October 4, 2021, the Company is submitting an electronic version of this filing followed by hard copies filed with the Clerk within 24 hours of the electronic filing.

CERTIFICATE OF SERVICE

I certify that a copy of the within documents was forwarded by e-mail to the Service List in the above docket on the 24th day of August, 2023.



Adam M. Ramos, Esq.

The Narragansett Electric Company d/b/a Rhode Island Energy
Docket No. 22-49-EL Advanced Meter Functionality (AMF)
Service list updated 7/24/2023

Name/Address	E-mail Distribution List	Phone
The Narragansett Electric Company d/b/a Rhode Island Energy Jennifer Hutchinson, Esq. 280 Melrose Street Providence, RI 02907	JHutchinson@pplweb.com ;	401-784-7288
	JScanlon@pplweb.com ;	
	COBrien@pplweb.com ;	
	CAGill@RIEnergy.com ;	
	JOliveira@pplweb.com ;	
	BLJohnson@pplweb.com ;	
	SBriggs@pplweb.com ;	
	KGrant@RIEnergy.com ;	
	wanda.reder@gridxpartners.com ;	
	PJWalnock@pplweb.com ;	
Hinckley Allen Adam Ramos, Esq. 100 Westminster Street, Suite 1500 Providence, RI 02903-2319	aramos@hinckleyallen.com ;	401-457-5164
	cdieter@hinckleyallen.com ;	
	cwhaley@hinckleyallen.com ;	
	ssuh@hinckleyallen.com ;	
Division of Public Utilities (Division) Leo Wold, Esq. Christy Hetherington, Esq. Division of Public Utilities and Carriers 89 Jefferson Blvd. Warwick, RI 02888	Leo.Wold@dpuc.ri.gov ;	401-780-2177
	Christy.Hetherington@dpuc.ri.gov ;	
	Margaret.L.Hogan@dpuc.ri.gov ;	
	John.bell@dpuc.ri.gov ;	
	Al.contente@dpuc.ri.gov ;	
	Joel.munoz@dpuc.ri.gov ;	
	Linda.George@dpuc.ri.gov ;	
	Ellen.golde@dpuc.ri.gov ;	
Machaela.Seaton@dpuc.ri.gov ;		

	Al.mancini@dpuc.ri.gov ;	
	Paul.Roberti@dpuc.ri.gov ;	
	Thomas.kogut@dpuc.ri.gov ;	
	John.spirito@dpuc.ri.gov ;	
Mike Brennan	mikebrennan099@gmail.com ;	
Robin Blanton	robin.blanton@ieece.org ;	
William Watson	wfwatson924@gmail.com ;	
David Littell	dlittell@bernsteinshur.com ;	
Gregory L. Booth, PLLC 14460 Falls of Neuse Rd. Suite 149-110 Raleigh, NC 27614	gboothpe@gmail.com ;	
Linda Kushner L. Kushner Consulting, LLC 514 Daniels St. #254 Raleigh, NC 27605	lkushner33@gmail.com ;	
Office of Attorney General Nick Vaz, Esq. 150 South Main St. Providence, RI 02903	nvaz@riag.ri.gov ;	401-274-4400 x 2297
	mbedell@riag.ri.gov ;	
Office of Energy Resources (OER) Albert Vitali, Esq. Dept. of Administration Division of Legal Services One Capitol Hill, 4 th Floor Providence, RI 02908	Albert.Vitali@doa.ri.gov ;	401-222-8880
	nancy.russolino@doa.ri.gov ;	
	Christopher.Kearns@energy.ri.gov ;	
	Shauna.Beland@energy.ri.gov ;	
	Matthew.Moretta.CTR@energy.ri.gov ;	
Chris Kearns, OER	Steven.Chybowski@energy.ri.gov ;	
	Nathan.Cleveland@energy.ri.gov ;	
	William.Owen@energy.ri.gov ;	
Mission:data Coalition James G. Rhodes, Esq. Rhode Consulting LL 160 Woonsocket Hill Rd. North Smithfield, RI 02896	james@jrhodeslegal.com ;	401-225-3441
George Wiley Center Jennifer L. Wood, Executive Director R.I. Center for Justice 1 Empire Plaza, Suite 410	jwood@centerforjustice.org ;	
	georgewileycenterri@gmail.com ;	

Providence, RI 02903	camiloviveiros@gmail.com ;	
NRG Retail Companies Craig Waksler, Esq. Eckert Seamans Cherin & Mellott, LLC Two International Place, 16 th Floor Boston, MA 02110	CWaksler@eckertseamans.com ;	617-342-6890
	Kmoury@eckertseamans.com ;	717-237-6000
	sstoner@eckertseamans.com ;	
Conservation Law Foundation (CLF) James Crowley, Esq. Conservation Law Foundation 235 Promenade Street Suite 560, Mailbox 28 Providence, RI 02908	jcrowley@clf.org ;	401-228-1905
	mcurran@clf.org ;	
Original & 9 copies file w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2107
	Cynthia.WilsonFrias@puc.ri.gov ;	
	Alan.nault@puc.ri.gov ;	
	Todd.bianco@puc.ri.gov ;	
	Emma.Rodvien@puc.ri.gov ; Christopher.Caramello@puc.ri.gov ;	
Interested Parties:		
Victoria Scott (GOV)	Victoria.Scott@governor.ri.gov ;	
Seth Handy, Esq.	seth@handylawllc.com ;	
Stephan Wollenburg	swollenburg@seadvantage.com ;	
Mary McMahon	mmcmahon@seadvantage.com ;	
Jim Kennerly	jgifford@seadvantage.com ;	
Amy Moses	amoses@utilidata.com ;	
Amy Boyd, RI Director, Acadia Center	aboyd@acadiacenter.org ;	401-276-0600
Oliver Tully, Acadia Center	otully@acadiacenter.org ;	
Amanda Barker	amanda@greenenergyconsumers.org ;	
Larry Chretien	larry@greenenergyconsumers.org ;	
Nancy Lavin	nlavin@rhodeislandcurrent.com ;	

STATE OF RHODE ISLAND

RHODE ISLAND PUBLIC UTILITIES COMMISSION

_____)	
In re: The Narragansett Electric Company)	
d/b/a Rhode Island Energy’s Advanced)	Docket No. 22-49-EL
Metering Functionality Business Case)	
_____)	

THE NARRAGANSETT ELECTRIC COMPANY D/B/A RHODE ISLAND ENERGY’S POST-HEARING STATEMENT

The Narragansett Electric Company d/b/a Rhode Island Energy (“Rhode Island Energy” or the “Company”) respectfully submits this Post-Hearing Statement for consideration by the Rhode Island Public Utilities Commission (the “Commission”) in its review of the Company’s Advanced Metering Functionality (“AMF”) Business Case. This Post-Hearing Statement outlines certain questions that the Company submits the Commission should address in reaching its decision in this docket.

In response to each question, the Company has provided its proposed answer, along with certain citations to the record.¹

1. Has Rhode Island Energy demonstrated a need for AMF?

Yes. As outlined initially in the AMF Business Case, a majority of Rhode Island Energy’s existing Automated Meter Reading (“AMR”) meters will reach the end of their estimated design life by the end of calendar year 2024, and the Company will need to replace these meters.² The Company’s operations witnesses, Ryan Constable and Mikeljohn Freitas,

¹ Notwithstanding these specific citations, the Company relies on the entirety of the record in support of its request for approval of the AMF Business Case, and the absence of any piece of evidence from the citations should not be interpreted as the Company’s failure to rely on it.

² AMF Business Case, Book 2, Bates pp. 21-22.

testified regarding the need for the data from AMF meters to improve the Company’s planning processes and day-to-day operations of the electric distribution system.³ Robin W. Blanton, appearing on behalf of the Rhode Island Division of Public Utilities and Carriers (the “Division”), testified that AMF represents the current state of metering technology in the United States.⁴ Mr. Blanton and Dr. William F. Watson, also appearing on behalf of the Division, agreed with Rhode Island Energy that there is a need for AMF in Rhode Island based on both meter replacement and the future benefits AMF can provide.⁵ As outlined in the Joint Pre-Filed Rebuttal Testimony of Philip J. Walnock and Wanda K. Reder (“Walnock/Reder Rebuttal”), all parties who submitted testimony or position statements in this docket support the implementation of AMF as needed in Rhode Island.⁶

A. Should Rhode Island Energy implement AMF technology on the timetable proposed in the AMF Business Case?

Yes. Rhode Island Energy has proposed to implement AMF over three and a half years.⁷ During the hearing, Division witness Blanton testified that the Division supports this timeline given that extending the implementation period would increase the overall costs of AMF implementation.⁸ In fact, during opening and closing statements, the parties expressed broad support for the Company’s project implementation proposal.⁹

³ Company Operations Panel, Hr’g Day 3, 497:8-502:23 (July 26, 2023).

⁴ Division Testimony, Hr’g Day 4, 899:21-24 (July 27, 2023).

⁵ *Id.* at 898:9-899:16.

⁶ Walnock/Reder Rebuttal 4:10-5:6.

⁷ Walnock/Reder Rebuttal 19:16-19. The Company refers to its response to Record Request 13(c), in which it defined “project implementation” for purposes of the AMF Business Case.

⁸ Division Testimony, Hr’g Day 4, 901:12-902:17 (July 27, 2023).

⁹ Division Statement, Hr’g Day 1, 38:1-14 (July 20, 2023); Mission: Data Coalition Statement, Hr’g Day 1, 42:23-43:6 (July 20, 2023); Attorney General Statement, Hr’g Day 1, 47:17-21 (July 20, 2023); George Wiley Center Statement, Hr’g Day 1, 55:17-19 (July 20, 2023); Conservation Law Foundation Statement, Hr’g Day 1, 63:5-9 (July 20, 2023); Division Statement, Hr’g Day 5, 1144:16-1145:3 (July 31, 2023); NRG Retail Companies Statement, Hr’g Day 5, 1145:10-15 (July 31, 2023); Mission: Data Coalition Statement, Hr’g Day 5, 1145:24-1146:8 (July 31, 2023); Attorney General Statement, Hr’g Day 5, 1147:19-23 (July 31, 2023); George Wiley Center Statement, Hr’g Day 5, 1159:6-13 July 31, 2023); Office of Energy Resources Statement, Hr’g Day 5, 1168:9-18 (July 31, 2023).

B. Has Rhode Island Energy demonstrated that the AMF Business Case presents a positive Benefit-Cost Analysis?

Yes. Aside from the Company, only the Division offered testimony or evidence with respect to the AMF Business Case’s Benefit-Cost Analysis (“BCA”). Although the Division proposed certain adjustments to the Company’s BCA, the Division still arrived at a positive BCA.¹⁰ Whether the Commission considers the Company’s BCA or the Division’s more conservative analysis, the BCA still demonstrates that the Company’s AMF Business Case is cost effective and supports approval of the AMF Business Case.

2. Does the magnitude of the investment required to transition Rhode Island to AMF technology and the fundamental shift this technology represents justify the Commission exercising its discretion to allow Rhode Island Energy to recover the incremental costs of the AMF Business Case outside a traditional base rate case?

Yes. As the Commission noted at the outset of the hearings,¹¹ the Commission has broad discretion “to make such orders as it deems necessary to protect consumers and to ensure the economic viability of the utility,” with the ultimate goal of setting “fair and reasonable” rates. *In re Island Hi-Speed Ferry, LLC*, 746 A.2d 1240, 1246 (R.I. 2000). The investment in AMF represents a step change for Rhode Island Energy to bring its electric metering technology in line with current industry best practice and enable substantial benefits going forward.¹² Because the Company has demonstrated the need for AMF as outlined in the AMF Business Case and has demonstrated that the investment is cost-effective, the Commission properly may – and should – exercise its discretion to allow Rhode Island Energy to recover the incremental cost of AMF outside of a traditional base distribution rate case.

¹⁰ Division Testimony, Hr’g Day 4, 900:2-13 (July 27, 2023).

¹¹ Chairman Gerwatowski’s Introductory Comments, Hr’g Day 1, 17:13-19:14 (July 20, 2023).

¹² See Pre-Filed Direct Testimony of David J. Bonenberger 8:8-16; AMF Business Case, Book 2, Bates pp. 19-20 (discussing the current state of metering in the United States); Bonenberger Testimony, Hr’g Day 1, 71:20-73:15 (July 20, 2023).

A. Should Rhode Island Energy recover the costs identified in the AMF Business Case using the proposed AMF Factor?

Yes, the Company maintains its position that the AMF Factor is the best cost recovery mechanism to balance the interests of customers and the Company. Company witnesses Stephanie A. Briggs and Bethany L. Johnson described how the Company proposes the AMF Factor would work and the reasons why it provides the appropriate balance.¹³

B. If the Commission declines to establish the AMF Factor, should Rhode Island Energy be able to recover the capital costs identified in the AMF Business Case through the ISR Plan process and the operations and maintenance costs identified in the AMF Business Case through the creation of a regulatory asset as outlined in paragraph 1 of the Company's Statement of Alternative and Additional Positions (RIE Exhibit 9)?

Yes, the cost recovery mechanism and process described in Paragraph 1 of RIE Exhibit 9, including the reduction of the value of the regulatory asset by the amount of the actual Non-Outage Management System ("OMS") avoided O&M benefits in subparagraph (d) and the application of the earnings test in subparagraph (f), provides a reasonable alternative to the AMF Factor. Company witness Stephanie A. Briggs described during the hearings how the Company proposes that cost recovery would work using this mechanism and why it is a reasonable approach.¹⁴

C. Should the Commission apply any of the rate credits or deferrals accrued since the last base distribution rate case to offset O&M expense associated with AMF in the time prior to the next base distribution rate case?

During the course of the hearings, the Commission raised certain questions suggesting the Commission's consideration of whether to use some or all of the annual deferrals of revenue recovered by the Company in base distribution rates that arose out of rate allowances in Docket

¹³ Joint Pre-Filed Direct Testimony of Stephanie A. Briggs and Bethany L. Johnson, 6:13-8:18, 9:19-11:9, 12:4-15:13; Joint Pre-Filed Rebuttal Testimony of Stephanie A. Briggs and Bethany L. Johnson, 3:2-13:13.

¹⁴ Company Cost Recovery Panel, Hr'g Day 2, 287:3-298:18 (July 25, 2023).

No. 4770 to offset the proposed O&M regulatory asset. The Company supports using the deferrals for the AMI Business Case Study and GIS Enhancements (IS) to offset the proposed O&M regulatory asset. These deferrals are identified in Line Nos. 1 and 2 of Attachment PUC 7-13 of the Company's response to data request PUC 7-13, and are in addition to the rate level credits as shown in Table 3 of Attachment RR-7 and Attachment RR-13-1.

With respect to the deferrals relating to Special Sector: Storage and Special Sector: Electric Transportation, Line Nos. 3 and 4 of Attachment PUC 7-13, the Company defers to the Commission's discretion to allocate these annual deferrals as it deems appropriate. As the Company noted in its response to data request PUC 9-1, certain of these deferrals relate to the Electric Transportation Initiative ("ETI") programs. In consultation with other members of the Power Sector Transformation Advisory Group, the Company anticipates that it will submit a filing to the Commission later this year to propose additional ETI programs that may include a proposal to use some portion of the ETI deferral to fund such programs until the time of the Company's next base distribution rate case.

3. Should approval of the AMF Business Case be subject to any conditions?

A. Should Rhode Island Energy's cost recovery for AMF be subject to a cap?

The Company is committed to deploying and implementing AMF on time and on budget. To the extent the Commission concludes it will impose a cost-cap condition on approval of the AMF Business Case, the Company has outlined three potential approaches that would be reasonable. They are set forth below, in order of the Company's view of most reasonable to least reasonable.

- i. Implementation Cost Cap. The implementation cost cap would include all costs required to implement the AMF functionalities described in the AMF Business

Case, using the Company’s definition of “project implementation” set forth in its response to Record Request 13(c). The implementation cost cap would exclude any software as a service (“SaaS”) costs that occur in Years 1-4. The costs included in the Implementation Cost Cap are identified in the “project implementation” column of Attachment RR-9 and represent a total nominal cost of \$154.48 million in capital and \$7.88 million in O&M expense.

- ii. Years 1-4 Cost Cap. The Years 1-4 Cost Cap would include all costs outlined in the AMF Business Case for Years 1-4. The costs included in the Years 1-4 Cost Cap are identified in the “Year 1-4” column of Attachment RR-9 and represent a total nominal cost of \$154.48 million in capital and \$13.45 million in O&M expense.
- iii. Full 20-Year Cost Cap. The 20-Year Cost Cap would be a cost cap of \$289 million (nominal dollars) over the 20-year period of the AMF Business Case for the functionalities outlined in Figure 6.1 of the AMF Business Case.

B. Should Rhode Island Energy be held accountable for delivering the functionalities identified in the Business Case?

The Company fully expects the Commission to hold it accountable for delivering the functionalities identified in the Business Case. To this end, the Company proposed a series of reporting metrics to provide a transparent assessment of the Company’s AMF implementation progress in areas it considered to be of key interest to customers, regulators, and stakeholders.¹⁵ The Company further proposed to file an annual AMF Program Report with the Commission and provide mid-year status update meetings during AMF deployment.¹⁶

¹⁵ See AMF Business Case Section 14.1 at pp. 197 to 199.

¹⁶ See AMF Business Case Section 14.1 at *id.* & Attachment B at pp. 212 to 224.

Additionally, whether the Commission adopted the proposed AMF Factor or the alternative cost recovery mechanism of using the ISR Plan process and the creation of the O&M regulatory asset, the Commission would have two opportunities during the year to review the Company's annual investments and compare those against the AMF Business Case.¹⁷ The Commission therefore will have multiple opportunities to question the Company regarding any deviations from the AMF Business Case with respect to budget, timing, or scope. Further, as described above, the Company has committed to a cost cap, which holds the Company accountable financially and protects customers from cost-overruns.

C. Should Rhode Island Energy be held accountable for achieving the benefits of AMF identified in the AMF Business Case?

Not as a part of an order approving AMF in this proceeding. As stated by the Company's witness Flora Flygt during the hearings, the BCA is a screening tool. The BCA provides a mechanism to evaluate whether a proposal is cost effective. It does not offer a guarantee that certain levels of benefits will necessarily result. The Company further refers to its explanation of its position on whether it should be held accountable for delivering certain amounts of benefits set forth in its response to data request PUC 8-2. The Company indicated in RIE Exhibit 9 that it would be reasonable for the Commission to direct the Company to work with the Division to develop an appropriate accountability plan to be submitted to the Commission for review within six months following approval of AMF implementation.¹⁸

¹⁷ The Company proposed that the AMF Factor be updated every six months, which would require a filing to the Commission showing actual costs incurred in the prior six months. Likewise, through the ISR Plan process, the Commission would see proposed capital investment spending for the coming year and see actual spending through the annual ISR reconciliation filing.

¹⁸ RIE Exh. 9, ¶ 6.

D. Should the Commission establish an accelerated timeline for Rhode Island Energy to make a filing relating to time-varying rates (TVR)?

No. Based on the Commission's questions to Company witnesses during the evidentiary hearings, the Company has evaluated this issue further and determined that it would be more appropriate for the Company to make any TVR proposal as part of its next base distribution rate case.

E. Should the Commission establish an AMF Working Group to address matters relating to the technological and practical procedures and protocols regarding Green Button Connect, the Home Area Network, and Distributed Intelligence capabilities associated with AMF meters?

The Company takes no position on this question and relies on the testimony presented at the hearings. Regardless of whether the Commission orders the creation of a working group, the Company is committed to working with stakeholders to gather information and viewpoints in addressing these issues.¹⁹

Conclusion

For the reasons stated at the evidentiary hearings and described in the record evidence, the Company respectfully requests that the Commission approve the AMF Business Case.

¹⁹ Walnock Testimony, Hr'g Day 4, 790:7-791:20 (July 27, 2023).

**THE NARRAGANSETT ELECTRIC
COMPANY d/b/a RHODE ISLAND ENERGY**

By its attorneys,



Jennifer Brooks Hutchinson, Esq. (#6176)
The Narragansett Electric Company d/b/a
Rhode Island Energy
280 Melrose Street
Providence, RI 02907
(401) 784-7288

/s/ Adam M. Ramos

Adam M. Ramos (#7591)
Christine E. Dieter (#9859)
Hinckley, Allen & Snyder LLP
100 Westminster Street, Suite 1500
Providence, RI 02903-2319
Tel: (401) 457-5278
Fax: (401) 277-9600
aramos@hinckleyallen.com
cdieter@hinckleyallen.com

Dated: August 24, 2023

CERTIFICATE OF SERVICE

I hereby certify that on August 24, 2023, I sent a copy of the foregoing to the service list
by electronic mail.

/s/ Adam M. Ramos