

STEVEN J. BOYAJIAN

One Financial Plaza, 14th Floor
Providence, RI 02903-2485
Main (401) 709-3300
Fax (401) 709-3399
sboyajian@rc.com
Direct (401) 709-3359

Also admitted in Massachusetts

June 14, 2024

VIA HAND DELIVERY & ELECTRONIC MAIL

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

Re: Docket No. 22-05-EE Investigation of Misconduct by The Narragansett Electric Company Relating to Past Payments of Energy Efficiency Program Shareholder Incentives –The Narragansett Electric Company d/b/a Rhode Island Energy Rebuttal Testimony of Brett Feldman and Brian Pelletier

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”), I have enclosed the Company’s Rebuttal Testimony of Mr. Brett Feldman and Mr. Brian Pelletier in the above-referenced docket.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-709-3359.

Sincerely,



Steven J. Boyajian

Enclosure

cc: Docket 22-05-EE Service List

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate were electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Heidi J. Seddon

June 14, 2024

Date

Docket No. 22-05-EE – PUC Investigation of Utility Misconduct or Fraud by The Narragansett Electric Co. Service list updated 11/27/2023

Name /Address	E-mail Distribution List	Phone
The Narragansett Electric Company d/b/a Rhode Island Energy Andrew Marcaccio, Esq. 280 Melrose St. Providence, RI 02907 Steven J. Boyajian, Esq. Leticia C. Pimentel, Esq. Robinson & Cole LLP One Financial Plaza, 14th Floor Providence, RI 02903	amarcaccio@pplweb.com ;	401-784-4263
	cobrien@pplweb.com ;	
	jhutchinson@pplweb.com ;	
	jscanlon@pplweb.com ;	
	mocrayne@ng.rienergy.com ;	
	dmmoreira@rienergy.com ;	
	bsfeldman@rienergy.com ;	
	djtukey@rienergy.com ;	
	fcharlot@rienergy.com ;	
	bjpelletier@rienergy.com ;	
SBoyajian@rc.com ;		
LPimentel@rc.com ;		
HSeddon@rc.com ;		
National Grid USA Chery Kimball, Esq. Robert Humm Keegan Werlin LLP 99 High St., Suite 2900 Boston, MA 02110	ckimball@keeganwerlin.com ;	617-951-1400
	rhumh@keeganwerlin.com ;	
	jdunne@keeganwerlin.com ;	

Laura Bickel, Esq. National Grid	laura.bickel@nationalgrid.com ;	
	Brooke.Skulley@nationalgrid.com ;	
	melissa.little@nationalgrid.com ;	
	Scott.McCabe@nationalgrid.com ;	
Division of Public Utilities and Carriers Margaret L. Hogan, Esq.	Margaret.L.Hogan@dpuc.ri.gov ;	401-780-2120
	john.bell@dpuc.ri.gov ;	
	Joel.munoz@dpuc.ri.gov ;	
	Ellen.golde@dpuc.ri.gov ;	
	Machaela.Seaton@dpuc.ri.gov ;	
	Paul.roberti@dpuc.ri.gov ;	
	Linda.george@dpuc.ri.gov ;	
Tim Woolf Jennifer Kallay Synapse Energy Economics 22 Pearl Street Cambridge, MA 02139	twoolf@synapse-energy.com ;	
	jkallay@synapse-energy.com ;	
Rhode Island Attorney General's Office Nicholas Vaz, Esq. Alison Hoffman, Esq.	nvaz@riag.ri.gov ;	
	ahoffman@riag.ri.gov ;	
	mbedell@riag.ri.gov ;	
RI EERMC Marisa Desautel, Esq. Desautel Browning Law 38 Bellevue Ave, Unit H Newport, RI 02840 Sam Ross, Optimal Energy	marisa@desautelbrowning.com ;	401-477-0023
	ross@optenergy.com ;	
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 ;	
	Steven.Chybowski@energy.ri.gov ;	
	William.Owen@energy.ri.gov ;	
	Nathan.Cleveland@energy.ri.gov ;	
Original & 9 copies file w/: Luly E. Massaro, Commission Clerk	Luly.massaro@puc.ri.gov ;	401-780-2107
	John.Harrington@puc.ri.gov ;	

John Harrington, Commission Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Alan.nault@puc.ri.gov ;	
	Todd.bianco@puc.ri.gov ;	
	Emma.Rodvien@puc.ri.gov ;	
Interested Party/Individual		
RI Infrastructure Bank Chris Vitale, Esq.,	cvitale@hvlawltd.com ;	
	SUatine@riib.org ;	
	Larry@massenergy.org ;	
Acadia Center Emily Koo, Director	EKoo@acadiacenter.org ;	
Green Energy Consumers Alliance Larry Chretien, Executive Director	Larry@massenergy.org ;	

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a RHODE ISLAND ENERGY
RIPUC DOCKET NO. 22-05-EE
INVESTIGATION OF MISCONDUCT BY THE
NARRAGANSETT ELECTRIC COMPANY RELATING TO
PAST PAYMENTS OF ENERGY EFFICIENCY PROGRAM
SHAREHOLDER INCENTIVES
WITNESS: FELDMAN
JUNE 14, 2024**

REBUTTAL TESTIMONY

OF

BRETT FELDMAN

June 14, 2024

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a RHODE ISLAND ENERGY
RIPUC DOCKET NO. 22-05-EE
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1 **I. Introduction**

2 **Q. Mr. Feldman, please state your name and business address.**

3 A. My name is Brett Feldman. My business address is 280 Melrose Street, Providence,
4 Rhode Island 02907.

5
6 **Q. By whom are you employed and in what position?**

7 A. I am employed by the Narragansett Electric Company d/b/a Rhode Island Energy
8 (“Rhode Island Energy” or the “Company”), which is an indirect subsidiary of PPL
9 Corporation (“PPL”), as Manager, Customer Energy Management, Rhode Island. In this
10 role, I lead the teams responsible for the Company’s energy efficiency strategy, policy,
11 and planning in Rhode Island.

12
13 **Q. Please describe your education and your professional experience.**

14 A. I received a Bachelor of Arts in Economics from University of Michigan and a Master’s
15 in Business Administration from Boston University. I started working for the Company
16 in March 2022, the Company being under National Grid USA (“National Grid”)
17 ownership at the time. On May 25, 2022, PPL Rhode Island Holdings, LLC, a wholly
18 owned indirect subsidiary of PPL, acquired 100 percent of the outstanding shares of
19 common stock of the Company from National Grid (the “Acquisition”), at which time I
20 assumed my current position. Prior to joining Rhode Island Energy, I worked at

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1 Guidehouse (formerly Navigant), performing market research and consulting on global
2 energy efficiency and demand response program strategy, evaluation, and policy
3 engagements; Constellation Energy, managing demand side resource portfolios in
4 wholesale markets including ISO-NE, NYISO, and PJM; Eversource Energy, managing
5 commercial and industrial energy efficiency and demand response program
6 implementation; Nexant, consulting on utility energy efficiency and demand response
7 program design and evaluation; and ICF, providing economic and marketing support to
8 US Environmental Protection Agency’s ENERGY STAR® program.

9
10 **Q. Have you previously testified before the Rhode Island Public Utilities Commission**
11 **(“PUC”)?**

12 **A.** Yes. I testified before the PUC relating to the Company’s 2024-2026 Energy Efficiency
13 Three-Year Plan and 2024 Energy Efficiency Plan in Docket No. 23-35-EE and relating
14 to the Company’s 2023 Annual Energy Efficiency and Conservation Procurement
15 Program Plan in Docket No. 22-33-EE.

16
17
18
19
20

1 **II. Purpose of Testimony**

2 **Q. What is the purpose of this joint testimony?**

3 A. The purpose of my testimony is to respond to the pre-filed testimony of Mr. Michael R.
4 Ballaban and Mr. Jacob Van Reen filed on November 27, 2023 on behalf of the Division
5 of Public Utilities and Carriers (the “Division Testimony”).
6

7 **III. Customer Impact**

8 **Q. Please describe generally how the customer impact of out-of-period invoicing in the**
9 **Rhode Island Energy Efficiency programs was calculated in the March 10, 2023**
10 **investigation report filed by National Grid in this matter?**

11 A. To calculate the customer impact, the Residential Upstream Lighting Program was used
12 as a proxy to estimate a percentage of out-of-period invoicing across the entire energy
13 efficiency program portfolio. Once the percentage of out-of-period invoices in the
14 Residential Upstream Lighting Program was determined for each program year, a
15 corresponding percentage of program year energy efficiency spending and associated
16 savings was reallocated to the appropriate program year. Following this reallocation, the
17 Company’s performance incentive for each program year was recalculated.
18

1 **Q. Did the Division of Public Utilities and Carriers (the “Division”) agree with National**
2 **Grid that using the Residential Upstream Lighting Program as a proxy to determine**
3 **the percentages of out-of-period invoices for each program year was appropriate?**

4 A. Yes. In the Division Testimony, the Division noted that it agreed that the use of the
5 Residential Upstream Lighting Program as a proxy to determine the percentage of out-of-
6 period invoicing in energy efficiency program years is a reasonable methodology to
7 determine the customer impact of out-of-period invoices. (Division Testimony, Page 31,
8 Lines 1-2.)
9

10 **Q. Does the Company agree with the Division’s methodology for calculating the**
11 **customer impact of out-of-period invoicing? Please explain.**

12 A. No. The Division’s methodology is flawed because it fails to account for energy
13 efficiency measures and savings that actually occurred. Although the Division agreed
14 that using the Residential Upstream Lighting Program as a proxy to determine the
15 percentage of out-of-period invoices across the Energy Efficiency portfolio was
16 reasonable, its calculation methodology that followed is counter to the actual operation of
17 the Company’s energy efficiency programs and calculation of Company incentives under
18 Least Cost Procurement standards. Specifically, the Division used the estimated
19 percentage of invoices that were out-of-period and, for each relevant program year,
20 recommended the disallowance of the Company’s performance incentive by that specific

1 percentage instead of reallocating the energy efficiency spending and savings to the
2 appropriate program year. This would effectively treat the energy efficiency measures
3 and corresponding savings as having never existed and yields the \$12,359,808 figure
4 contained within the Division Testimony. It is undisputed that the spending and savings
5 associated with the measure installations that were charged through out-of-period
6 invoices did in fact occur. Therefore, the Division's calculation is not an accurate
7 calculation of customer impact; rather, it represents the imposition of a penalty that
8 exceeds the actual customer impact.

9
10 **IV. Conclusion**

11 Q. Does this conclude your testimony?

12 A. Yes, it does.

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PAST PAYMENTS OF ENERGY EFFICIENCY PROGRAM
SHAREHOLDER INCENTIVES
WITNESS: PELLETIER
JUNE 14, 2024**

REBUTTAL TESTIMONY

OF

BRIAN PELLETIER

June 14, 2024

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a RHODE ISLAND ENERGY
RIPUC DOCKET NO. 22-05-EE
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1 **I. Introduction**

2 **Q. Mr. Pelletier, please state your name and business address.**

3 A. My name is Brian Pelletier. My business address is 280 Melrose Street, Providence,
4 Rhode Island 02907.

5
6 **Q. By whom are you employed and in what position?**

7 A. I am employed by the Narragansett Electric Company d/b/a Rhode Island Energy
8 (“Rhode Island Energy” or the “Company”), which is an indirect subsidiary of PPL
9 Corporation (“PPL”), as a Lead Specialist, Energy Efficiency (“EE”) Reporting. In this
10 role, I am responsible for managing the reporting of EE spend, savings, forecasts and
11 fund balances and for ensuring reported expenditures correspond with the company's
12 general ledger.

13

14 **Q. Please describe your education and your professional experience.**

15 A. I received a Bachelor of Science in Computer Electronic Engineering and a Master’s in
16 Business Administration from the University of Rhode Island. I started working for the
17 Company in 1988 and have accumulated over 35 years of experience in energy
18 efficiency, in both delivering programs to customers and in tracking and reporting
19 program results in multiple jurisdictions.

20

1 **Q. Have you previously testified before the Rhode Island Public Utilities Commission**
2 **(“PUC” or “Commission”)?**

3 A. No.

4

5 **II. Purpose of Testimony**

6 **Q. What is the purpose of your testimony?**

7 A. The purpose of my testimony is to describe the credits already made to the energy
8 efficiency fund by the Company as a result of the Company’s review of the impact of the
9 out-of-period invoices on the energy efficiency fund balance.

10

11 **III. Credits to Energy Efficiency Fund**

12 **Q. What did National Grid conclude regarding credits to the energy efficiency fund**
13 **following its investigation into the out-of-period invoicing?**

14 A. Through the investigation that culminated in its March 10, 2023 report, “Report on the
15 Investigation into Out-of-Period Invoicing within the Rhode Island Energy Efficiency
16 Program (2012-2021)”, National Grid concluded that \$322,660 needed to be credited to
17 the energy efficiency fund to compensate for the effect of out-of-period invoicing in the
18 Company’s energy efficiency program. This amount was calculated by reallocating the
19 out-of-period invoices, and the associated costs and savings, to the appropriate program
20 year.

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1 **Q. How much has the Company credited to the energy efficiency fund to date as a result**
2 **of the out-of-period invoicing and corresponding investigation?**

3 A. In 2022, the Company credited the energy efficiency fund the upper end of the initial
4 estimated impact range: \$2,194,339.64 plus interest, for a total of \$2,422,235. Below is a
5 table with the date and corresponding amount that was credited to the energy efficiency
6 fund. Importantly, to date, the energy efficiency fund was credited \$2,099,575 more than
7 the \$322,660 estimated customer impact.

Date	Credit	Description
January 2022	\$124,135	Electric credit from 2016 to January 2022.
January 2022	\$3,185	Interest on electric credit from 2016 to January 2022.
May 2022	\$2,070,204	Gas credit and additional electric credit from 2012 through May 2022.
June 2022	\$292,173	Interest on amounts credited in May 2022, back to appropriate year for each portion of that credit. This includes an inadvertent manual spreadsheet error that overstates the actual interest credit by \$67,643. The reporting error was discovered in October 2022.
October 2022	(\$67,462)	Reversal of a manual error in the Fund Balance spreadsheet representation of the June Interest Credit. The Credit was correctly applied in the SAP Financial System in June 2022 (as \$224,710.95), but was incorrectly represented in the Fund Balance spreadsheet (as \$292,172.92). The incorrect spreadsheet amount was referenced in Narragansett's 2023 Annual EE Plan filed in Docket No. 22-33-EE on September 30, 2022. The error was discovered in October 2022.
Total	\$2,422,235	Sum of above-referenced credits.

8

9

1 **Q. Did the Division of Public Utilities and Carriers (“Division”) account for the credit**
2 **already made to the energy efficiency fund in its customer impact calculation?**

3 A. No. It does not appear from the pre-filed testimony of Mr. Michael R. Ballaban and Mr.
4 Jacob Van Reen, filed on November 27, 2023 that the Division accounted for the amount
5 already credited to the energy efficiency fund in 2022 in its calculation of the effect of
6 out-of-period invoicing. The 2022 credit was not referenced in the testimony nor does it
7 appear to have been used to reduce any of the figures presented by the Division.

8

9 **IV. Conclusion**

10 **Q. Does this conclude your testimony?**

11 A. Yes, it does.

12