

July 19, 2024

VIA ELECTRONIC MAIL

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

**RE: Docket No. 24-05-GE - Rhode Island Energy Petition For Approval To Create
Regulatory Assets For Waived Electronic Transaction Fees
Rhode Island Energy's Reply Comments**

Dear Ms. Massaro:

In connection with the above referenced proceeding, Rhode Island Energy¹ is submitting these reply comments to the recommendations of the Division of Public Utilities and Carriers (the "Division") set forth in the Memorandum of John Bell, dated July 5, 2024 regarding the Company's Petition for approval to create regulatory assets for the future consideration and recovery of credit card, debit card, and related fees (collectively, "Electronic Transaction Fees") that Rhode Island Energy has paid and will continue to pay on behalf of its electric and gas customers pursuant to the Public Utilities Commission's ("PUC") Orders issued in Docket No. 5022.

In these reply comments, Rhode Island Energy (1) responds to the Division's recommendation for a downward adjustment to the electric regulatory asset for the period of July 1, 2020 through January 31, 2024 to account for the impact of earnings sharing in the calendar years in which the Company earned above its allowed return, and (2) clarifies certain statements and assumptions in the Division's Memorandum relating to the booking of a regulatory asset in calendar year ("CY") 2024 and going forward.

1. Proposed Adjustment to the Electric Regulatory Asset for the Period July 1, 2020 through January 31, 2024

The Division, in their comments, does not object to the Company's request to record a regulatory asset related to the waived Electronic Transaction Fees; however, the Division recommended a downward adjustment to the Company's request to record \$4,739,924 for the period July 1, 2020 through January 31, 2024. The amount of \$4,739,924 reflects the amount of the Company's requested regulatory assets, inclusive of interest, for electric and gas operations and is broken down as follows: \$3,208,384 for electric operations and \$1,530,910 for gas operations. The Division has recommended that the electric regulatory asset be reduced by \$691,878 to \$2,516,506 to reflect the operation of the earnings sharing mechanism in CY 2020

¹ The Narragansett Electric Company d/b/a Rhode Island Energy ("Rhode Island Energy" or the "Company").

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and CY 2021, in which the Company's earnings were at the 75 percent and 50 percent sharing levels, respectively. The Division did not recommend any adjustments for CY 2022 or to the gas regulatory asset.

The Company does not object to the Division's recommendation to adjust the electric regulatory asset for the period July 1, 2020 through January 31, 2024 to account for the impact of earnings sharing in CY 2020 and CY 2021. The Company concurs with the Division's calculation of the Company's earnings sharing in CY 2020 and CY 2021 and the proposed adjustment.

In addition, the Division reserved the right to adjust their recommendation for both the gas and electric operations based on the Company's 2023 earnings. The Company filed its 2023 earnings reports for its gas and electric operations with the PUC on July 15, 2024, which reflect no earnings sharing for CY 2023. Accordingly, no adjustment to the level of waived Electronic Transaction Fees is warranted for CY 2023. The Company is revising its request to book a regulatory asset for the period July 1, 2020 through January 31, 2024 in the amount of \$4,047,416, inclusive of interest.

2. Regulatory Asset for Calendar Year 2024 and Going Forward

On page 3 of their comments, the Division states, "[a]ssuming this docket is resolved in 2024, and the waived fees in 2024 and going forward are charged directly to the regulatory asset, no future earnings related adjustments will be necessary." While the Company agrees that the regulatory asset that the Company has requested for the Electronic Transaction Fees incurred after January 31, 2024 and going forward does not warrant any adjustments as part of this proceeding, the Company wishes to clarify that in its 2024 earnings reports for gas and electric operations, it would reflect an adjustment to normalize out the amount of the waived Electronic Transaction Fees that are recorded in the general ledger in 2024 related to CY 2021 through CY 2023, such that the 2024 earnings results do not reflect prior year's activity. In addition, the 2024 earnings reports and future earnings reports would reflect the respective year's recording of the regulatory asset in the calculation of the earnings results.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-316-7429.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: John Bell, Division
Nick Vaz, Special Assistant Attorney General

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was 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.



Jennifer Brooks Hutchinson

July 19, 2024
Date

**Docket No. 24-05-GE RI Energy – Regulatory Assets for Waived ETFs
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