



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS
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**To: Stephanie De La Rosa, Commission Clerk
Public Utilities Commission**

**From: Alfred Contente, Rate Analyst
Division of Public Utilities & Carriers**

Date: November 14, 2024

Re: Docket No. 24-38-GE The Narragansett Electric Company – Tariff Advice Filing to Amend Electric and Gas Tariffs

On September 19, 2024, The Narragansett Electric Company d/b/a Rhode Island Energy ("RI Energy" or "Company") filed with the Public Utilities Commission ("Commission") proposed amendments to its gas and electric tariffs. The proposed amendments seek to update charges to gas and electric customers who choose to replace their automated reading ("AMR") meter equipped with a radio frequency ("RF") transmitter with a manual, non-communicating meter that does not utilize a RF transmitter.¹ The Company requested an effective date of January 1, 2025, for the proposed changes. RI Energy is proposing to delay charging opt-out customers the updated fees until the commencement of advanced metering functionality ("AMF") meter program which is scheduled to begin in March of 2025.

The Company initially began installing AMR meters in 2000. It wasn't until 2012 when the Company proposed an opt-out provision. The Company's proposal was vetted in Docket 4342 and the opt-out provision was eventually approved and became effective on January 1, 2023. The opt-out language and rates approved in Docket 4342 remain in place today. Originally, there were three customers that participated in the opt-out provision, and that number has increased to 50 currently. Table 1 below provides a comparison of the current and proposed opt-out fees.

¹ According to the Company's response to PUC 1-1 a., RI Energy intends to leave existing AMR meters in place but communications between the meter and the AMR system will cease.

Table 1 – Proposed Changes

	Electric			Gas		
	Current	Proposed	Difference	Current	Proposed	Difference
Meter Change	\$27.00	\$33.00	\$6.00	\$74.00	\$66.00	(\$8.00)
Meter Read	\$13.00	\$20.00	\$7.00	\$13.00	\$20.00	\$7.00

The proposed rates are based on the estimated time for meter technicians to replace existing gas and electric meters and to read manual, non-communicating meters. According to RI Energy’s response to PUC 1-2, the methodology used to determine travel time, job time, and wrench time, is consistent with the approach the Company used in Docket No. 4342.² Current labor rates, from the 2024 union contract were applied to the time estimates to arrive at the proposed rates. The proposed rate to exchange a gas meter is a decrease from the current rate due to a lower loading factor percentage used in the current filing. All fees were rounded to the nearest whole dollar, which the Division considers reasonable considering the proposed fees are based on time estimates that in practice will vary from customer to customer.

The Company proposed to eliminate the reinstallation fee for customers who have previously chosen to opt-out of the AMR program. The Company states that the goal of AMF deployment is “full adoption...to allow all customers to have access to the benefits provided by AMF.” The Division agrees with this strategy and believes there would be less of an incentive for opt-out customers to move to AMF meters if charged a reinstallation fee.

RI Energy’s current gas and electric tariffs allow only residential customers the option of opting out of an AMR meter and having it replaced with a manual, non-communicating meter. The Company’s proposed amendments to its electric tariff seek to extend this option to all customers by removing the language that limited the opt-out provision to residential customers only. In response to PUC 1-1, RI Energy indicated that it made the revision to remain consistent with the Rhode Island Energy Advanced Metering Functionality Business Case and the opt-out approach at the Company’s Kentucky affiliate.

Division Recommendations

After careful review, the Division finds that the methodology used to calculate the proposed rates is reasonable as it attempts to cover cost of the proposed service. Generally, the Division prefers changes of this nature to be adjusted in conjunction with a general rate filing. However, the revenue increase from the proposed fee changes should be de minimis considering that there are currently only 50 customers that opt-out of AMR meters. Moreover, the Division understands the need to send the appropriate price signals to customers prior to the commencement of the AMF roll-out. As such, the Division does not oppose implementation of the proposed updates outside the context

² See RIPUC Docket No. 4342, Report on AMR Opt-Out Customers and Meter Reading.

of a general rate filing and has no objection to the Company's request to delay billing opt-out customers the updated rates until March of 2025.

However, the Division does have some concerns with the Company's proposal to allow all electric customers to opt-out of the AMF program. Allowing commercial and industrial customers to opt-out runs contrary to RI Energy's goal of AMF adoption by all customers. For the AMF program to be most effective (i.e. Realizing all intended benefits described in RIPUC Docket 22-49-EL) maximum participation on behalf of RI Energy's customers is required.³ For this reason, the Division recommends limiting the opt-out provision to residential customers only as is the case under the current tariff.

Finally, the Division noted that in the Company filing on RIPUC RIE-GAS No, 101, Attachment 1, Page 11 of 15, section a) the word *electricity* should read *gas*.

In conclusion, other than the recommended changes stated above, the Division recommends that the Commission approve the proposed amendments to the Company's gas and electric tariffs.

³ RIPUC 22-49-EL Rhode Island Energy: Advanced Meter Functionality Business Case.