

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

IN RE: THE NARRAGANSETT ELECTRIC COMPANY :
d/b/a RHODE ISLAND ENERGY TARIFF ADVICE :
FILING TO AMEND ELECTRIC AND GAS : **DOCKET NO. 24-38-GE**
TARIFFS – ADVANCED METER FUNCTIONALITY :
AND AUTOMATED METER READING OPT-OUT :

REPORT AND ORDER

I. Introduction

On September 27, 2023, the Public Utilities Commission (Commission) authorized The Narragansett Electric Company d/b/a Rhode Island Energy (RI Energy or Company) to deploy an Advanced Metering Functionality (AMF) based metering system for the electric distribution business subject to various performance and cost-recovery conditions.¹ While the conditions did not apply to meter opt-out, RI Energy had included the ability to opt out of the new meters as part of its AMF proposal and the Commission received public comment from residential customers in support of the option.²

II. RI Energy’s Filing – Common Proposed Amendments

RI Energy already had an option for residential customers to opt out of the current electric and gas meters which use a different technology and are referred to as AMR meters. Thus, on

¹ Dkt. No. 22-49-EL (In re: Rhode Island Energy Advanced Metering Functionality Business Case and Cost Recovery Proposal) Open Meeting Minutes and Votes (Sept. 27, 2023); https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2023-11/2249-PUC-OM-VOTES_9-27-23.pdf.

² Public Comment was submitted in Docket No. 22-49-EL both in writing and at a public hearing held on April 4, 2023 at 6:00 p.m. which provided both in-person and remote participation option. The primary concerns raised by members of the public were health concerns from exposure to various radio frequencies and electronic emissions from the use of two-way communicating meters and potential safety concerns. The Commission took evidence from RI Energy during the evidentiary hearings on their research of residents’ concerns. Ultimately, the Commission noted that nothing in record indicated there would be harm to health, safety, cybersecurity, or privacy. The Commission is not equipped to do an independent safety review. The concerns were brought to the Commission’s attention in public comment and the Company responded. No intervenor raised concerns. Thus, the record included no basis for the Commission to deny installation based on these concerns. Ultimately, it is up to the Company to provide safe and reliable service and install equipment that furthers that obligation. (Open Meeting Discussion Sept. 27, 2023).

September 19, 2024, RI Energy filed a tariff advice to amend its Electric Tariff RIPUC No. 2243 (Terms and Conditions for Distribution Service) to allow customers to opt out of the new Advanced Meters (AMF meter) that will be installed during calendar years 2025 and 2026.³ The Company also filed amendments to its Gas Tariff NG-GAS No. 101, Schedule A to amend certain terms and conditions associated with the opt out of AMR.⁴

Common to each filing was a proposal to update various labor expense embedded into meter changeout fees and monthly meter reading fees that had not been updated since 2013, increasing the monthly meter read charge from \$13.00 to \$20.00. Customers who opt out of both electric and gas would continue to be charged only one monthly meter read fee for both meters. Consistent with current practice, customers would be assessed the monthly meter read fee even if the read is estimated.

RI Energy proposed to change certain conditions on meter opt-out availability, granting itself the ability to deny opt-out to customers who have a history of meter tampering or unauthorized use of electricity; where the service creates a safety hazard; or if the customer refuses access to company personnel for meter reading, maintenance, or connection/disconnection. The Company also included language that it has the sole discretion to determine the alternative metering to be used for opted-out meters. The effective date of both tariffs is January 1, 2025. However, the Company proposed not assessing the new fees for either gas or electric until March 2025, once the electric AMF rollout commences.

³ RI Energy Filing Letter at 1.

⁴ All filings in this docket can be found on the Public Utilities Commission's website at: <https://ripuc.ri.gov/Docket-24-38-GE> or at the Commission's office at 89 Jefferson Blvd., Warwick, RI 02888.

III. Gas Tariff Specific Changes

Consistent with current rules, the gas meter opt-out would only apply to residential customers. RI Energy proposed to reduce the one-time charge for removal of the AMR and installation of a manual meter from \$74.00 to \$66.00 to reflect current costs. The Company proposed removing the reinstallation fee for customers who opt out and then decide to return to a gas AMR.

IV. Electric Tariff Specific Changes

The Company proposed expanding electric meter opt-out to non-residential customers.⁵ Unless opting out during the meter deployment in their region, customers choosing to opt out of AMR or AMF who require a meter replacement would be assessed a one-time charge of \$36.00, an increase from the current charge based on updated costs. Similar to the gas tariff, the Company proposed removing the installation fee for customers who opt out and then decide to opt back in to the meter being generally deployed to residential customers. Prior to AMF rollout, customers who have previously opted out of AMR and are opting back in will receive an electric AMR. Following AMF rollout, customers who have opted out of either AMR or AMF and opt back in will receive an AMF. Electric customers who opt out of AMF during the full-scale deployment in their region would not be charged a meter changeout fee.

V. Division of Public Utilities Position

On November 14, 2024, the Division of Public Utilities and Carriers (Division) submitted a Memorandum from Al Contente, Utility Analyst, reviewing the filing and recommending the

⁵ As of October 2024, only fifty customers out of over 700,000 total electric and gas accounts had opted out. Of the over 450,000 electric residential accounts, thirty-six customers have opted out of AMR. The Company included an assumed 1% of total customers who may opt out of electric AMF. RI Energy Response to PUC 1-2. In Kentucky, the opt-out rate moving from manual meters to AMF meters was approximately 0.3% to 0.4%. Hr'g Tr. at 40 (Nov. 19, 2024).

opt-out tariffs continue to only apply to residential customers. Mr. Contente noted that allowing non-residential customers to opt out would run contrary to the Company's ability to provide the most projected benefits. Referencing the proposed fee changes, the Division found that the methodology used to calculate the proposed fees was reasonably designed to recovery actual costs and that while the Division would prefer such changes to occur in the context of a full rate case, the increase in revenues to the Company will likely be *de minimus* and will send appropriate price signals to customers prior to the commencement of the AMF deployment.⁶

VI. Evidentiary Hearing

On November 19, 2024, the Commission conducted an evidentiary hearing. At the outset, Company witness Parker Capwell testified that RI Energy had no objection to maintaining the current opt-out eligibility limiting the choice to residential customers. He advised that it is the Company's preference that all customers participate in AMF to receive the projected benefits. Without an AMF, a customer would not be able to have the same visibility into their usage nor take advantage of time of use pricing. He explained that the Company could investigate how different metering types could provide such capability. The Company would need to understand how such meters would be read, would integrate into the software and billing systems, technical complexities, and the magnitude of the costs. He estimated the time to complete such an analysis to be approximately three months.

One of the benefits from AMF that the Company had cited in Docket No. 22-49-EL was to provide the Company with additional visibility on the electric distribution system related to customer usage patterns, particularly where there were aggregated or concentrated distributed energy resources. The Company has asserted that the aggregation of distributed energy resources

⁶ Contente Mem. at 2. Mr. Contente also identified a typographical error in the gas tariff.

requires a new level of visibility to manage the system in a more cost-effective manner. However, the Company had not considered limiting eligibility to customers who do not export energy onto the electric distribution system. At the time of the hearing, no customers who had opted out were enrolled in a retail crediting system where they are credited for exporting energy to the distribution system such as net metering, Renewable Energy Growth Program, or Distributed Generation Standard Contracts.⁷ Following the hearing, in a response to a record request, the Company advised that its understanding was that “a typical residential solar installation package is a communications type device that includes measurement/monitoring capabilities with a means of transmitting data to the customer and/or manufacturer via a communication path such as Wi-Fi, cellular, etc.”⁸

VII. Public Comment Hearing

During the evening on November 19, 2024, the Commission convened a hearing to elicit public comment allowing for in-person and remote participation. Four members of the public provided comment, raising several of the same concerns as in the prior docket. One member of the public challenged the Company’s right to choose the meter installed on their house when they opt out. One expressed frustration with the opt-out process because they did not want the meter the Company was offering. Another customer who had previously opted out expressed a concern that appeared to be a billing issue as opposed to a participation issue.

VIII. Decision

At an Open Meeting conducted on December 19, 2024, the Commission considered the evidence and approved the two tariffs with two modifications. First, the Commission accepted the Division’s recommendation to maintain limiting eligibility to residential customers finding that there was no compelling reason to change the current structure. Second, the Commission limited

⁷ Hr’g. Tr. at 37; 47-50.

⁸ RI Energy Response to RR- 1 (Dec. 13, 2024).

participation to customers who do not export electrical energy to the distribution system. It would be contradictory to operational visibility to both allow customers to participate in exporting electric energy and to opt out of the technology that provides visibility into that exportation. Further, customers who are exporting power onto the distribution system already have communication devices at their premises that utilize a Wi-Fi or cellular technology similar to what is used for AMF.⁹

With respect to the change in customer opt-out fees outside of a general rate case, while generally disfavored, this situation is somewhat unique.¹⁰ The last full-scale meter deployment occurred approximately 25 years ago. There has been interest from customers in opting out of the new technology this time. They should have accurate information about what their expected costs of that decision will be so they can make an informed decision. The fees in the opt-out tariff have not been updated in almost 10 years and the next general rate case is expected to be decided at the end of the deployment period. Given the Division's assessment that the revenue impact prior to the end of the next rate case will be *de minimus* to the Company compared to the not-insignificant monthly increase to individual customers, it is better to send the correct price signals now in order to avoid surprises after they have opted out.

IX. Compliance Filing

On January 7, 2025, the Company submitted revised tariffs reflecting a typographical error that had been identified in the gas tariff and reflecting the Commission's decisions in both tariffs.

⁹ *Id.*

¹⁰ While unique, this decision is consistent with the Commission's decision in the original Opt-Out docket which was also filed between rate cases. Furthermore, the cost is designed solely to collect costs associated with the limited subset of customers who have opted to receive a service outside of that which is provided to the general residential class of ratepayers.

At an Open Meeting conducted on January 23, 2025, the Commission reviewed the filings and found that the tariffs appropriately reflected the Commission's December 19, 2024 decisions.

Accordingly, it is hereby,

(25247) ORDERED:

1. The Narragansett Electric Company d/b/a Rhode Island Energy Tariff RIPUC NG-Gas No. 101, Eleventh Revision is approved as filed on January 7, 2025.
2. The Narragansett Electric Company d/b/a Rhode Island Energy Tariff No. 2275, Canceling RIPUC No. 2243 is approved with the following modifications: eligibility shall be limited to residential customers who do not participate in a program that authorizes the customer to export electrical energy to the Company's electric distribution system.
3. The Narragansett Electric Company d/b/a Rhode Island Energy Tariff No. 2275, filed on January 7, 2025, is hereby approved.

EFFECTIVE AT WARWICK, RHODE ISLAND ON JANUARY 1, 2025, PURSUANT TO OPEN MEETING DECISIONS ON DECEMBER 19, 2024, AND JANUARY 23, 2025. WRITTEN ORDER ISSUED JANUARY 29, 2025.

PUBLIC UTILITIES COMMISSION



Ronald T. Gerwatowski, Chairperson



Abigail Anthony, Commissioner

*John C. Revens, Jr.

*Commissioner Revens voted to approve the tariff with the modification stated herein but retired prior to review of the compliance filing.

NOTICE OF RIGHT OF APPEAL: Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within seven days from the date of the order, petition the Rhode Island Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.