

**STATE OF RHODE ISLAND  
BEFORE THE PUBLIC UTILITIES COMMISSION**

<p>IN RE: THE NARRAGANSETT ELECTRIC COMPANY ) d/b/a RHODE ISLAND ENERGY'S ENVIRONMENTAL ) RESPONSE FUND PROVISION – ELECTRIC ) ENVIRONMENTAL RESPONSE COST REPORTS ) FOR FISCAL YEARS 2020, 2021, 2022, AND 2023 )</p>		Docket No. 4610
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**AFFIDAVIT OF AMY WILLOUGHBY**

I, Amy Willoughby, having been duly sworn on oath, do hereby depose and swear that:

1. I am over the age of eighteen (18) and competent to make this Affidavit.
2. All statements in this Affidavit are based on my personal knowledge.
3. I am employed as the Manager of Projects and Site Investigation and Remediation for The Narragansett Electric Company (the “Company”), and my responsibilities include managing the site investigation, remediation and long-term monitoring of former manufactured gas plants, remote gas holders and other Company environmental remediation sites, as well as the financial reporting associated with this work for the Company.

**Reports Impacted**

4. I submit this Affidavit in connection with corrections to the following Company reports filed with the Rhode Island Public Utilities Commission (“PUC” or the “Commission”) in accordance with the Environmental Response Cost Provision, RIPUC No. 2254 (previously RIPUC No. 2173), Sheet 2, subparagraph (C), for the electric operations of the Company:

- a. The Company’s Fiscal Year (“FY”) 2020 Electric Environmental Response Cost Report for the twelve-month period ended March 31, 2020, filed with the PUC on September 25, 2020, in the above-referenced docket (the “2020 Electric Environmental Report”);
- b. The Company’s FY2021 Electric Environmental Response Cost Report (Corrected) for the twelve-month period ended March 31, 2021, filed with the PUC on December 13, 2021, in the above-referenced docket (the “2021 Electric Environmental Report”);
- c. The Company’s FY2022 Electric Environmental Response Cost Report for the twelve-month period ended March 31, 2022, filed with the PUC on December 2, 2022, in the above-referenced docket (the “2022 Electric Environmental Report”);  
and
- d. The Company’s FY2023 Electric Environmental Response Cost Report for the twelve-month period ended March 31, 2023, filed with the PUC on November 8, 2023, in the above-referenced docket (the “2023 Electric Environmental Report”) (the 2020 Electric Environmental Report, the 2021 Electric Environmental Report, the 2022 Electric Environmental Report, and the 2023 Electric Environmental Report are referred to hereinafter collectively as the “2020-2023 Reports” or the “Reports”).

**Discovery and Description of the Error**

5. In preparation of the FY2024 Electric Environmental Response Cost Report for the twelve-month period ended March 31, 2024 (the “2024 Electric Environmental Report”), which the Company filed with the Commission on December 31, 2024, in the above-referenced docket, the Company discovered that it inadvertently had reported credits and expenses related to the Rhode Island Department of Environmental Management (“RIDEM”) invoices within Section Q. Miscellaneous and Section X. Summary of Costs of the 2020-2023 Reports for all sites.
6. Specifically, the credits and expenses inadvertently were reported under cost categories referred to as “RIDEM/EPA Oversight Costs” and “Other/Project Management” within the 2020-2023 Reports.

7. As I explain in more detail below, because RIDEM’s oversight relates to site-specific projects, these oversight costs should not be reported in the Reports under Section Q. Miscellaneous.

### **Explanation of Specific Adjustments Shown on Schedule 1**

8. This Affidavit, together with Schedule 1 to this Affidavit, provides a detailed explanation of the adjustments to the “RIDEM/EPA Oversight Costs” and “Other/Project Management” cost categories affecting the 2020-2023 Reports. The cumulative impact of the adjustments to the Reports affected the Ending Balance for the 2023 Electric Environmental Report, which is also the Beginning Balance of 2024 Electric Environmental Report. The Beginning Balance of the 2024 Electric Environmental Report filed with the Commission on December 31, 2024, reflects the cumulative impact of the adjustments to the Reports.

### **Explanation of the RIDEM Invoicing and Payment Process**

9. Before describing the specific adjustments to the “RIDEM/EPA Oversight Costs” and “Other/Project Management” cost categories affecting the 2020-2023 Reports, I explain the RIDEM invoicing and payment process. This process complicated the proper allocation of RIDEM oversight costs to each site as described below.
10. The first complication relates to RIDEM’s practice of issuing a single invoice to the Company for the cost of its oversight activities related to site-specific projects during the period of time covered by the invoice.
  - a. From time to time during each reporting period, RIDEM issues a single invoice to the Company for its oversight costs related to site-specific projects during the period of time covered by the invoice.

- b. Each invoice RIDEM issues covers all sites – electric and gas – for which RIDEM performed oversight activities during the period of time covered by the specific invoice.
  - c. The RIDEM invoice states the number of hours of RIDEM oversight for each site, and the Company allocates the costs per site based on the number of hours provided by RIDEM.
11. The second complication relates to National Grid USA’s accounting system and the process the Company had to follow when requesting a check to pay each RIDEM invoice.
- a. The Company would pay each RIDEM invoice with a single check payment covering the costs for all sites, whether gas or electric.
  - b. Because National Grid USA’s accounting system by design could only assign either electric or gas accounting during the check request process, the check issued to RIDEM as payment for the invoice would be charged to the general electric work order accounting and the Company subsequently would perform journal entries to allocate the costs to each electric and/or gas site.
12. The third complication relates to the Fields Point Liquefaction Project (“FPLP”) owned and operated by the Company’s former affiliate, National Grid LNG, LLC (“NG LNG”), on property owned by the Company located at 642 Allens Avenue in Providence.
- a. All of the projects for which RIDEM performed oversight activities relate to electric and/or gas Company-owned sites except for the FPLP owned by NG LNG on the Company-owned gas remediation site at 642 Allens Avenue, Providence, Rhode Island.
  - b. For the 642 Allens Avenue site, the RIDEM hours invoiced represent a combination of hours for oversight related to the Company-owned 642 Allens Avenue remediation site and hours for oversight related to the NG LNG-owned FPLP operated on the 642 Allens Avenue site.
  - c. This aspect of the RIDEM invoicing and payment process affected all of the Reports but ended during FY2023 following PPL Rhode Island Holdings, LLC’s acquisition of 100 percent of the outstanding shares of common stock of the Company from National Grid USA (the “Acquisition”) on May 25, 2022. It did not affect the 2024 Electric Environmental Report.

- d. The Company reviewed the combined number of hours provided by RIDEM for 642 Allens Avenue and allocated the number of hours of RIDEM oversight for 642 Allens Avenue and NG LNG FPLP.
  - e. In connection with the Company's check request process, because National Grid USA's accounting system by design could only assign either electric or gas accounting to the check issued to RIDEM as payment for the invoice, NG LNG FPLP costs initially were charged to the electric Miscellaneous Category and then transferred to NG LNG FPLP accounting with a credit to the electric Miscellaneous Category. Therefore, costs for NG LNG FPLP should not have been reflected in the 2020-2023 Reports.
13. To further complicate the payment process, depending on the timing of the processing of the RIDEM invoice for payment, the charges and credits did not always occur in the same fiscal year (i.e., twelve-month period ended March 31) and/or reporting period.
14. The following is brief explanation of the adjustments that were made to each of the 2020-2023 Reports in order to recalculate the FY2024 Beginning Balance. The detailed explanation of these adjustments is provided in Schedule 1, which is incorporated herein by reference.

**2020 Electric Environmental Report Description of Inadvertent Cost Reporting**

15. During the reporting period, the Company charged \$1,814 in payments related to NG LNG FPLP under the "DEM/EPA" cost category and then the charge unintentionally was reversed from the "Other Costs/Project Management" category. Therefore, the \$1,814 expense was removed from the overall total, but not from the "DEM/EPA" cost category.
16. A second RIDEM charge of \$2,219 related to NG LNG FPLP was removed from "DEM/EPA" category in the Company "Environmental Response Cost Report"; however, this charge was reported as an expense in the "Annual Environmental Report for Gas Service" Report under 642 Allens Avenue, Providence site. The Company will

correct this in the Annual Environmental Report for Gas Service Report under the 642 Allens Avenue, Providence site, to be filed with the Commission in July 2025.

Furthermore, the Company will include an adjustment in its next Distribution Adjustment Charge filing to make customers whole for the period of time the expense was erroneously included in the development of the Environmental Response Cost Factor.

17. As a result, the Company reported a \$405 credit under “DEM/EPA Oversight Costs.” In Schedule 1, the Company details the series of steps that were taken to address the \$405 credit.

#### **2021 Electric Environmental Report Description of Inadvertent Cost Reporting**

18. During the FY2021 reporting period, the Company reported \$4,682 in NG LNG FPLP related RIDEM charges under “DEM/EPA Oversight Costs” category under Miscellaneous within the reporting period.
19. The \$4,682 charge was combined with the \$405 credit from FY2020 and as a result, the Company reported a charge of \$4,277 being reported as “Payments to Date” under Miscellaneous.
20. In Schedule 1, the Company details a series of steps that were taken to address the \$4,277 charge.

#### **2022 Electric Environmental Report Description of Inadvertent Cost Reporting**

21. During the FY2022 reporting period, the Company reported a credit of \$13,066 under the “DEM/EPA Oversight Costs” category.
22. The \$13,066 credit was a result of two credits \$4,682 and \$8,384 from NG LNG FPLP related RIDEM invoices that were processed during this reporting period.

23. As a result, the two credits were added to the \$4,277 payments to date from the previous reporting period which resulted in a credit of \$8,789 under “Payments to Date”.
24. In Schedule 1, the Company details a series of steps that were taken to address the \$8,789 credit.

### **2023 Electric Environmental Report Description of Inadvertent Cost Reporting**

25. During the FY2023 reporting period, the Company reported NG LNG FPLP and Company Site related RIDEM charges of \$12,796 under the “DEM/EPA Oversight Costs” payments during this period.
26. The credit of \$8,789 reported in FY2022 was added to reported charges of \$12,796 resulting in a “Payments to Date” of \$4,007.
27. In Schedule 1, the Company details a series of steps that were taken to address the \$4,007 charge.

### **2024 Electric Environmental Report**

28. With respect to the 2024 Electric Environmental Report, the Company carried over the newly adjusted Ending Balance in the 2023 Electric Environmental Report to serve as the Beginning Balance of the Section I Summary in the 2024 Electric Environmental Report. The Company also reflected the newly adjusted Payments to Date from the 2023 Electric Environmental Report to the EPA/DEM Oversight Costs in Sections Q. and X. of the 2024 Electric Environmental Report.

### **Process Improvements**

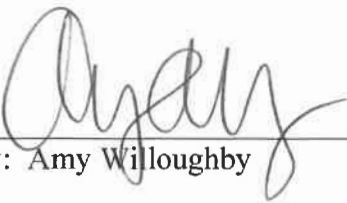
29. The Company has implemented improvements to its internal processes to ensure that the errors described above will not occur in the future. Specifically, the Company has implemented additional monthly invoice and payment reconciliation processes to ensure

that any payments to RIDEM are allocated to the specific sites and any necessary journal entries are performed on a timely basis. In addition, the Company will implement an internal control checklist for preparation of the annual Environmental Response Cost Report. Also, because of the Acquisition, the Company no longer processes RIDEM invoice payments on behalf of NG LNG.

*[Remainder of page intentionally left blank]*



Signed under the pains and penalties of perjury on this 29<sup>th</sup> of January, 2025.

  
By: Amy Willoughby

STATE OF RHODE ISLAND  
COUNTY OF PROVIDENCE

On this 29<sup>th</sup> of January, 2025, before me, the undersigned notary public personally appeared Amy Willoughby,  personally known by me or  proved to me through satisfactory evidence of identification which was \_\_\_\_\_, to be the person who signed above in my presence, and who swore or affirmed to me that the contents of the document are truthful to the best of her knowledge.

Notary Public: 

My commission expires: 6/26/2025

Notary Identification Number: # 27545

[Affix Notary Stamp]

MICHAEL D. DINEZZA  
Notary Public, State of Rhode Island  
My Commission Expires June 26, 2025