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**State of Rhode Island**

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**Public Utilities Commission**

**Minutes of Open Meeting Held on September 19, 2024**

An Open Meeting of the Public Utilities Commission (Commission or PUC) was held September 19, 2024, at 10:00 A.M. in Hearing Room A, 89 Jefferson Boulevard, Warwick, Rhode Island to discuss, deliberate, and/or vote on the following dockets.

In attendance: Chairman Ronald Gerwatowski, Commissioner Abigail Anthony, Commissioner John Revens, Cynthia Wilson-Frias, Todd Bianco, John Harrington, Alan Nault, Theodore Smith, Christopher Caramello and Stephanie De La Rosa.

- I. Chairman Gerwatowski called the Open Meeting to order at 10:00 A.M. A quorum was present.
- II. **Approval of Minutes of Open Meetings** – Chairman Gerwatowski noted that minor technical edits were made to the Minutes of Open Meetings held on August 1, 2024 and August 28, 2024 prior to the commencement of the Open Meeting and copies of the revised Minutes were dispersed to all. No further discussion was needed. After review, Commissioner Anthony moved to approve the Minutes of Open Meetings held on August 1, 2024 and August 28, 2024. Commissioner Revens seconded the motion, and the motion was unanimously passed. **Vote 3-0.**
- III. **Docket No. 22-47-WW – Narragansett Bay Commission (NBC)** – The Commission took up this docket, upon NBC’s Motion to Reopen Proceedings and for Miscellaneous Relief, filed on March 28, 2024. In its motion, NBC requested that the Commission allow three modifications to the settlement agreement approved by the Commission in this docket.

After discussion, Chairman Gerwatowski moved to grant NBC’s request to re-open proceedings, grant NBC’s request to change its terms and conditions to add fees for the recording of notices and releases of liens, which would allow NBC to recover actual statutory mandated costs incurred when recording such documents, and grant NBC’s request to eliminate the annual pension report as required by Docket 3651, which includes retirement and post-retirement benefit information for NBC’s union and non-union employees. Commissioner Anthony seconded the motion. The motion was unanimously passed. **Vote 3-0.**

Chairman Gerwatowski moved to deny NBC’s request to add its natural gas expense account 54060-Gas to the accounts included in the operation and maintenance reserve (OMR) fund. Commissioner Anthony seconded the motion. The motion was unanimously passed. **Vote 3-0.**

- IV. Docket No. 22-53-EL – The Narragansett Electric Co. d/b/a Rhode Island Energy (Rhode Island Energy)** – The Commission next took up this docket, upon Rhode Island Energy’s August 1, 2024 filing of its proposed annual reconciliation of expenses and revenues related to the approved FY 2024 Electric ISR Plan. The rates were proposed for effect October 1, 2024. Discovery was ongoing and certain filings were scheduled to be submitted in October.

Commissioner Anthony moved that the Commission suspend the effective rate change for one month to conclude the investigation. Commissioner Revens seconded the motion. Per Commissioner Anthony, there were still a lot of questions pending, including that the Commission was still unsure as to what was added to, or removed from, the reconciliation. The one-month suspension would allow for those questions to be answered. The motion was unanimously passed. **Vote 3-0.**

- V. Docket No. 23-37-EL – The Narragansett Electric Co. d/b/a Rhode Island Energy (Rhode Island Energy)** – The Commission next took up this docket, upon the first of two petitions for acceleration of a system modification due to distributed generation projects filed by Rhode Island Energy on October 17, 2023. This docket pertained to a distributed generation project in Tiverton, Rhode Island. Discovery was conducted and the Commission held hearings on June 3, 5, and 6, 2024 and July 9, 2024. Thereafter, the parties submitted post-hearing briefs. After review and discussion, the Commission adopted the motions in the attached document. The motions were unanimously passed. **Vote 3-0.**

**Docket No. 23-38-EL – The Narragansett Electric Co. d/b/a Rhode Island Energy (Rhode Island Energy)** – The Commission next took up this docket, upon the second of two petitions for acceleration of a system modification due to distributed generation projects filed by Rhode Island Energy on October 17, 2023. This docket pertained to the Weaver Hill Projects. Discovery was conducted and the Commission held hearings on June 3, 5, and 6, 2024 and July 9, 2024. Thereafter, the parties submitted post-hearing briefs. After review and discussion, the Commission adopted the motions in the attached document. The motions were unanimously passed. **Vote 3-0.**

- VI. Docket No. 24-19-WW – Woonsocket Water Division (WWD)** – The Commission next took up this docket. By way of background, the Commission previously approved a five-step multi-year rate plan applicable to Woonsocket Water Division (WWD) on May 17, 2019, with the first and second steps implemented in 2019 and 2020, respectively. WWD did not seek to implement the remaining steps contemplated in 2021, 2022, and 2023.

On May 29, 2024, WWD filed a petition to amend its multi-year rate plan and requested an approximately 33% rate increase, which was the sum total of the three steps for which WWD had not sought implementation. A hearing was held in Woonsocket on September 4, 2024 and no members of the public attended. An evidentiary hearing was scheduled for September 17, 2024. The Division submitted a memorandum and expressed concern with WWD’s “strained” reading

of the multi-year rate plan statute to permit WWD's request and cited WWD's regulatory deficiencies in administering its plan. Noting that the bulk of the rate increase is necessary to meet debt service payments for the new treatment plant, the Division stated:

“the utility needs the full rate increase now to meet its cost-of-service obligations. It is because of WWD's regulatory process deficiencies that ratepayers now face an approximate 33% rate increase. This result completely negates the gradualism that the original multi-year plan promised to deliver to the detriment of the ratepayers. However, of greater consequence would be the utility's inability to deliver safe and reliable water for lack of meeting its financial obligations were this modification petition and filing not approved.”

Therefore, the Division recommended that WWD's petition be approved as the “necessary lesser of two undesirable outcomes for its customers[.]”

The Commission noted that the petition likely did not comply with the ability to amend a previously approved multi-year rate plan as contemplated by R.I. Gen. Laws § 39-15.1-4(d). Instead, this was an expired multi-year rate plan. Notwithstanding, the Commission approved the multi-year rate plan which would have summed to the current request by July 1, 2023. WWD demonstrated need for the narrow and limited scope of the request, namely, to collect revenue to meet immediate and expected debt service payments and administrative payments related to the new water treatment plant. Therefore, the Commission found good cause, and adequate evidence existed to allow the remaining steps of the expired multi-year rate plan to be combined into one rate increase. The Division supported the Commission's findings.

The Commission acknowledged the comment from Counsel Hetherington, that the Commission and Division are between a rock and hard place. However, the evidence and testimony suggested that WWD may not have had sufficient funding to meet their debt service payments and repay the wastewater fund. The Commission determined that it should approve the instant proposal and also require the Water department to make a submittal of how to meet the debt service payments.

After discussion, Commissioner Anthony moved that the Commission approve the proposal to collect additional operating revenue in the amount of \$2,900,154 to support total rate revenues of \$11,642,070 for effect October 1, 2024. Commissioner Revens seconded the motion. The motion was unanimously passed. **Vote 3-0.**

Commissioner Anthony also moved that the Commission require the following monthly reports from WWD commencing October 8, 2024 for the month ending September 30, 2024: (1) cash flow statements for WWD's Revenue (General) Fund, R&R (Renewal & Replacement) Fund, Debt Service Fund, and IFR (Infrastructure Replacement) Fund; and (2) the status of the short-term advance from the wastewater fund to WWD, to include the monthly beginning balance, an increase in the balance (and what it was used for), any decrease in the balance (and the source of funds used to decrease the balance), and the monthly ending balance. Commissioner Revens seconded the motion. The motion was unanimously passed. **Vote 3-0.**

Commissioner Anthony further moved that WWD be required to submit evidence of how it will make their debt service payments in March and September 2025 and to repay the City wastewater fund by October 15, 2024. This evidence shall consist of, at a minimum, projections of revenues and expenses through September 1, 2025 demonstrating that WWD can satisfy all financial obligations in a timely manner including adequate funding to meet the March 2025 and September 2025 debt service payments and fully repay the \$2 million of short-term borrowings from the wastewater fund by September of 2025 while still providing safe and reliable service. If, in order to meet all financial obligations in a timely manner, Woonsocket Water intends to defer or postpone any O&M (Operation and Maintenance) spending or defer any planned IFR spending, WWD must clearly explain and provide the financial impact of each deferral or postponement. WWD must also submit monthly cash flow projections beginning with September 2024 cash balances and ending in September 2025 for each of the following: Revenue (General) Fund, R&R (Renewal & Replacement) Fund, Debt Service Fund, IFR (Infrastructure Replacement) Fund and \$2 million short term loan from Wastewater. If WWD cannot show that it can meet all of its operational and debt obligations for the period ending August 31, 2025 with current funding, it shall include with the filing a plan and/or proposal for the Commission's consideration of how it will meet those requirements. Such a proposal may not include additional borrowings/advances from the City. Commissioner Revens seconded the motion. The motion was amended to state that if there will be any additional deferrals of IFR spending, a statement of how such deferrals would affect provision of safe and potable water shall be included with the plan. Commissioner Revens seconded the amended motion. The motion was unanimously passed. **Vote 3-0.**

- VII. Docket No. 24-07-EL - The Narragansett Electric Co. d/b/a Rhode Island Energy (Rhode Island Energy)** – The Commission next took up this docket, upon Rhode Island Energy's Annual Retail Rate Filing. In this filing, Rhode Island Energy sought the Commission's approval of electric rate adjustments, primarily arising out of the reconciliation of the company's Last Resort Service administrative costs, non-by passable transition charge, transmission service, transmission-related uncollectible expense, net metering credits and long-term renewable energy contracts during the reconciliation period. The Commission

considered the appropriate method of distribution to customers of an over-collection that was not returned beginning in April 2024. In March 2024, the Commission deferred on the appropriate method of refund.

After discussion, Commissioner Anthony moved to direct Rhode Island Energy to issue six monthly bill credits beginning with bills to A-60 customers issued in November 2024 for an amount \$23.47 to be applied after the low-income discount. Commissioner Revens seconded the motion, Commissioner Anthony noted that if an A-60 customer is receiving a bill in each of those six months, their total refund should be in the amount of \$140.00 over the course of the winter. The motion was unanimously passed. **Vote 3-0.**

Commissioner Anthony also moved for Rhode Island Energy to provide a one-time bill credit of \$68.68 to all A-16 Last Resort Service customers as of September 1, 2024 who are still customers of Rhode Island Energy in December 2024. The credit would be applied to bills issued to those customers in December. Commissioner Revens seconded the motion. The motion was unanimously passed. **Vote 3-0.**

With respect to commercial customers, Commissioner Anthony moved that the Commission direct Rhode Island Energy to use the net over-collection amount produced in supplemental response to Data Request PUC 4-1 to calculate a refund and make a compliance filing to provide a one-time bill credit to commercial customers taking Last Resort Service on September 1, 2024. The credit would be applied to bills issued to those customers in December 2024. Commissioner Revens seconded the motion. The motion was unanimously passed. **Vote 3-0.**

With respect to industrial customers, Commissioner Anthony moved that the Commission direct Rhode Island Energy to use the net over-collection amount produced in supplemental response to Data Request PUC 4-1 and the methodology shown in record request 3 to make a compliance filing by November 15 to provide prorated refunds to industrial customers taking Last Resort Service in 2023. Commissioner Revens seconded the motion. The motion was unanimously passed. **Vote 3-0.**

**VIII. Docket No. 24-31-EL - The Narragansett Electric Co. d/b/a Rhode Island Energy (Rhode Island Energy)** – The Commission next took up this docket, upon Rhode Island Energy’s proposed base Last Resort Service (LRS) rates for the residential group for the period of October 1, 2024, through March 31, 2025, the commercial group for the Period of October 1, 2024 through March 31, 2025 and the industrial group for the period of October 1, 2024 through December 31, 2024. The Commission considered the appropriate method of distribution to customers of an over-collection from Docket No. 24-07-EL.

No additional discussion was needed, and Commissioner Anthony moved that the Commission find that Rhode Island Energy complied with the LRS Procurement

Plan. Commissioner Revens seconded the motion. The motion was unanimously passed. **Vote 3-0.**

Commissioner Anthony also moved that the Commission find the rates as they were filed appropriately calculated and that the Commission approve the residential, commercial, and industrial rates as filed and direct Rhode Island Energy to submit a compliance filing by September 25, 2024. Commissioner Revens seconded the motion. The motion was unanimously passed. **Vote 3-0.**

- IX. Consent Agenda** – All items listed within the Consent Agenda are considered routine by the Commission and are ordinarily enacted by one motion. There is no separate discussion of these items unless a member of the Commission requests, in which event the item will be removed for separate consideration later in the agenda. As noted below, the Consent Agenda included applications for authority as a Telecommunications service provider and applications for eligibility as a Renewable Energy Resource and PUC consultant's and the Division's recommendation on the applications.

**X.**

| Docket #  | Applicant                  | Filing   |
|-----------|----------------------------|--|
| 24-35-TL  | Ringsquared CC, LLC        | Application to provide services as a Class VI VoIP Telecommunications provider, Competitive Local Exchange Carrier (CLEC) and request for protective treatment from public disclosure of the Company's financial statements. The Division has found the applicant has fulfilled all requirements and recommends request for confidential treatment be granted. |
| RES-24-28 | Hecate Energy Albany 2 LLC | Application for eligibility of the Hecate Energy Albany 2 LLC Generation Unit, a 19.99 MW AC (24.694 MW DC) solar energy facility located in. PUC consultant recommends approval.  |

After review, Commissioner Anthony moved to approve the items on the Consent Agenda, Commissioner Revens seconded the motion. The motion was unanimously passed. **Vote 3-0.**

- XI.** Chairman Gerwatowski adjourned the Open Meeting at 2:33 P.M. A web video of the Open Meeting discussions can be accessed at <https://video.ibm.com/recorded/133987013> and for Docket No. 23-37-EL and 23-38-EL <https://video.ibm.com/recorded/133987452>.

**MOTIONS**  
**Adopted in Dockets 23-37-EL & 23-38-EL at Open Meeting on September 19,**  
**2024**

**Commission Findings**

(1) The Commission finds:

*Obligations Under the Tariff*

- (a) The Company had the following obligations under Section 5.4 of the *The Narragansett Electric Company Standards for Connecting Distributed Generation, R.I.P.U.C. No. 2258* tariff (Tariff) when managing the interconnection with Renewable Interconnecting Customers that involved a combination of System Improvements, System Modifications, and Accelerated Modifications:
- i. The Company was required to identify any Accelerated Modifications and the cost thereof in any of the impact studies relevant to the interconnection of the Renewable Interconnecting Customers;
  - ii. The Company was required to estimate any Accelerated Modifications costs less depreciated value in the interconnection service agreements (ISAs) executed with the Renewable Interconnecting Customers; and
  - iii. The Company was required to file with the Commission any executed interconnection service agreements (ISAs) identifying Accelerated Modifications by July of any year after any of the ISAs were executed.

*Failure to Comply with Tariff Obligations*

- (b) The Company never identified any Accelerated Modifications or the costs thereof in any of the relevant impact studies relating to the Tiverton Project or the Weaver Hill Project.
- (c) The Company never identified or estimated any Accelerated Modifications costs less depreciated value in any of the interconnection service agreements (ISAs) relating to the Tiverton Project or the Weaver Hill Project.
- (d) The Company never filed with the Commission any executed interconnection service agreements (ISAs) identifying Accelerated Modifications by July of any year after any of the ISAs were executed.

- (e) The Company failed to comply with the terms provided in Section 5.4 of the Tariff with respect to (i) identifying and estimating the costs of Accelerated Modifications in the impact studies, (ii) identifying and estimating the costs of Accelerated Modifications in the ISAs, and (iii) filing executed ISAs with the Commission identifying any Accelerated Modifications

*Failure to Prudently Manage Interconnection Process*

- (f) The Company failed to prudently manage the interconnection process relating to the Tiverton Project and the Weaver Hill Project when it went forward with the projects without executing any written agreements that:
  - i. distinguished which portions of the capital projects were System Improvements or Accelerated Modifications,
  - ii. set forth the cost responsibility between the Renewable Interconnecting Customers and the Company with respect to which entities would assume cost responsibility for either System Improvements or Accelerated Modifications, and
  - iii. established the extent to which the Company would reimburse Renewable Interconnecting Customers who built any System Improvements or Accelerated Modifications.

Chairman Gerwatowski moved for 10 items listed in directive to be approved. Commissioner Anthony seconded the motion, the motion was unanimously passed.  
**Vote 3-0.**

**Adoption of Definitions**

- (2) The Commission adopts the following definitions for purposes of the Commission's directives and future planning by the Company:
  - (a) the term "***System Modification***" means a capital addition which is specifically necessary for and directly related to a Renewable Interconnection Customer's interconnection to the Company's electric power system;
  - (b) the term "***Accelerated System Modification***" means a System Modification that
    - i. had been identified by the Company as a capital addition that, in the absence of the interconnection request, would have been needed to maintain a safe and reliable system for distribution customers,



- ii. was forecasted with a reasonable degree of confidence to be placed in service by the end of a given year, forecasted in a manner that considered capital planning uncertainties, and
  - iii. would otherwise meet the requirements for approval through the annual Infrastructure, Safety, and Reliability capital planning regulatory review process for the fiscal year in which the capital spending was forecasted to have occurred, absent the interconnection request;
- (c) the term “***System Improvement***” means a capital addition that is not a System Modification and is not an Accelerated System Modification, but is prudent for the Company to have it constructed at the same time and along with a System Modification that is built for the Renewable Interconnection Customer.

Commissioner Anthony moved for the motion. Commissioner Revens seconded the motion, the motion was unanimously passed. **Vote 3-0.**

#### **Directive to Negotiate a Final Reimbursement Solution**

- (3) The Company is directed to negotiate in good faith and execute an amended ISA or an addendum to a completed ISA that attempts to comply with the intent of Section 5.4.c of the Interconnection Tariff with the relevant Renewable Interconnection Customers involved with the Tiverton Project and the Weaver Hill Project to reimburse the customers for:
- (a) the costs incurred by the customers who self-built portions of the interconnection that constitute System Improvements and
  - (b) the applicable portion of the costs of any Accelerated System Modifications self- built by the customers, calculated as the total cost incurred less the depreciated value of the modification as of the time that the Company can reasonably show that the modification would have been in service had the Renewable Interconnection Customer not requested the System Modification.

Commissioner Anthony moved for the motion. Commissioner Revens seconded the motion, the motion was unanimously passed. **Vote 3-0.**

#### **Deadline for Negotiations**

- (5) The Company shall endeavor to complete negotiations (i) by no later than October 18, 2024 regarding the Tiverton Project and (ii) by no later than thirty days from the completion of final accounting of the Weaver Hill Project.

Commissioner Anthony moved for the motion. Commissioner Revens seconded the motion, the motion was unanimously passed. **Vote 3-0.**

**Directive to Make Payments if Agreement is Achieved**

- (6) If agreement(s) are reached with any or all of the Renewable Interconnection Customers, the Company shall make the relevant reimbursement payments to the customers within ten business days of executing each reimbursement agreement or within ten business days of any final accounting needed to confirm the amounts owed under the terms of the agreement(s), whichever is later.

Commissioner Revens moved for the motion. Commissioner Anthony seconded the motion, the motion was unanimously passed. **Vote 3-0.**

**Payments Final, with No Cost Recovery Conditions**

- (7) Any payment(s) made to the relevant customers shall be final and not subject to any further conditions relating to cost recovery by the Company.

Commissioner Revens moved for the motion. Commissioner Anthony seconded the motion, the motion was unanimously passed. **Vote 3-0.**

**If No Agreement is Achieved – Final Offers Required**

- (8) If an agreement cannot be reached with any or all of the Renewable Interconnection Customers within the applicable deadlines specified for each project, the Company shall make final offers to reimburse such customers. Any such unaccepted final offers shall be filed with the Commission no later than thirty days after rejection of the final offers.

Commissioner Anthony Moved for motion. Commissioner Revens seconded the motion, the motion was unanimously passed. **Vote 3-0.**

**Filing Requirements for Resolution, if Necessary**

- (9) The filing shall include pre-filed testimony explaining why the Company believes that the final offer(s) were reasonable and consistent with the Commission's decisions reflected in the prior motions. The Commission shall establish a procedural schedule to provide an opportunity for any affected Renewable Interconnection Customers to respond and establish a date for additional evidentiary hearings.

Chairman Gerwadowski moved for motion, Commissioner Anthony seconded the motion, the motion was unanimously passed. **Vote 3-0.**

**Cost Recovery Proposals Limited to Distribution Rate Case**

- (10) After final reimbursement payments are made by the Company to the relevant

Renewable Interconnection Customers, the Company may seek cost recovery relating to the relevant payments in the Company's next distribution rate case filing, but cost recovery of the reimbursement payments may not be sought through the Infrastructure, Safety, and Reliability cost recovery mechanism.

Commissioner Anthony moved, for motion. Commissioner Revens seconded the motion, the motion was unanimously passed. **Vote 3-0.**