# STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

IN RE: INQUIRY INTO THE NARRAGANSETT	:	DOCKET NO.: 25-08-GE
ELECTRIC COMPANY D/B/A RHODE ISLAND	:	
ENERGY'S BILLING SYSTEMS PRACTICES	:	
AND PERFORMANCE	:	

#### **REPORT AND ORDER**

This matter is before the Public Utilities Commission (Commission) upon the Commission's inquiry and evaluation of the operational status, accuracy, and effectiveness of the electric and gas billing system and processes of The Narragansett Electric Company d/b/a Rhode Island Energy (Company or Rhode Island Energy).<sup>1</sup> As described below, the Commission's inquiry arose out of complaints and concerns expressed by some customers regarding the accuracy of customer bills. This occurred after a billing system conversion was implemented by the Company following the acquisition of the Company by PPL Rhode Island Holdings, LLC from National Grid USA (National Grid).<sup>2</sup> For all the reasons stated herein, and pursuant to the Commission's Open Meeting decision of May 14, 2025, the Commission is directing the Company, among other related directives specified in this Order, to:

(i) Issue a Commission-approved Request for Proposals (RFP) for the services of a qualified independent consulting firm to assist the Commission in its review and evaluation of the Company's billing system and processes, culminating in an independent report being provided to the Commission;

<sup>&</sup>lt;sup>1</sup> All filings submitted in this matter can be accessed on the Commission's website at <u>https://ripuc.ri.gov/Docket-25-</u>08-GE or at its offices at 89 Jefferson Boulevard, Warwick, RI during regular business hours.

<sup>&</sup>lt;sup>2</sup> On May 25, 2022, PPL Rhode Island Holdings, LLC, a wholly owned indirect subsidiary of PPL Corporation, acquired 100% of the outstanding shares of common stock of The Narragansett Electric Company from National Grid (the acquisition).

- (ii) Enter into a contract with the selected firm approved by the Commission which would be supervised by the Commission's staff;
- (iii) Cooperate with the firm's review; and
- (iv) Remit timely payments to the consultant as invoices are submitted.

## I. Background

## A. PPL Acquisition and Transition Services

On May 25, 2022, PPL Rhode Island Holdings, LLC, a wholly owned subsidiary of PPL acquired 100% of the outstanding shares of common stock (Acquisition) of the Company from National Grid. Following the Acquisition, The Narragansett Electric Company which had been operating under the d/b/a of "National Grid" began operating under the d/b/a "Rhode Island Energy." As part of the various Acquisition agreements between National Grid and PPL Corporation and/or some of its affiliates, National Grid, through its affiliate, agreed to provide certain "Transition Services" pursuant to a "Transition Services Agreement" (Transition Services).<sup>3</sup> Among those Transition Services was the continued provision of numerous complex information technology (IT) services, including the continued use of the National Grid customer information and billing systems, along with associated back office and related systems (Billing System Services).<sup>4</sup> The "cutover" date for Billing System Services, along with other IT integration services, was originally scheduled to occur by May 25, 2024. On November 25, 2023, the cutover date was extended to August 19, 2024.<sup>5</sup>

<sup>&</sup>lt;sup>3</sup> See The Narragansett Electric Company d/b/a Rhode Island Energy Transition Update Report – May 25, 2024, through September 2024 (Oct. 21, 2024) (Transition Update Report). The affiliate is National Grid USA Service Company, Inc.

<sup>&</sup>lt;sup>4</sup> Appendix:TSA Summaries – By Functional Area to Transition Update Report.

<sup>&</sup>lt;sup>5</sup> Transition Update Report at 2.

With respect to the Billing System Services, the Company engaged in a widely publicized campaign to provide advance notice to its customers that the billing system, along with related billing processes, would be changing. The cutover and the transition to a new billing system and new bill formats for customers commenced on August 19, 2024. By August 31, 2024, the Company had exited Transition Services related to customer billing and payment processing.<sup>6</sup>

## **B.** Customer Complaints and Observed Billing Issues

Effective October 1, 2024, nearly coincident with the billing system change, the Company's electric supply rates for Last Resort Service (LRS) were increased to reflect the higher cost of electricity for the winter period.<sup>7</sup> During January and February 2025, the Commission and its staff observed a notable increase in customer inquiries and complaints related to billing. Although most customer complaints concerned higher winter rates and increased energy usage due to unusually cold weather in New England, others highlighted potential irregularities seemingly unrelated to seasonal rate adjustments.

On January 16, 2025, the Company submitted a filing to decrease LRS rates effective April 1, 2025, consistent with the typical seasonal reduction in electricity costs.<sup>8</sup> The Company also proposed other rate changes to electric and gas rates to also be effective April 1, 2025.<sup>9</sup> At a nearly four-hour public comment session held by the Commission on March 10, 2025, many customers expressed dissatisfaction with their winter energy bills.<sup>10,11</sup> Importantly, however, the Commission

<sup>&</sup>lt;sup>6</sup> Transition Update Report, Attachment 1.

<sup>&</sup>lt;sup>7</sup> Open Meeting Minutes (Sept. 19, 2024). *See generally* Docket, 24-31-EL, <u>https://ripuc.ri.gov/Docket-24-31-EL</u>. The winter period for LRS is defined as the six-month period October 1 through the following March 31.

<sup>&</sup>lt;sup>8</sup> Company's Filing, Docket No. 25-03-EL (Jan. 16, 2025).

<sup>&</sup>lt;sup>9</sup> Company's Filing, Docket No. 24-54-EL (Dec. 23, 2024); Company's Filing, Docket No. 24-55-NG (Dec. 31, 2024); Company's Filing, Docket No. 25-04-EL (Feb. 14, 2025).

<sup>&</sup>lt;sup>10</sup> Notice of Public Comment Hearing on March 10, 2025, Docket No. 25-03-EL (Feb. 28, 2025).

<sup>&</sup>lt;sup>11</sup> See generally Public Comment Hr'g Tr. (Mar. 10, 2025); John Perik, *Residents Speak Out Over Rising Energy Bills*, WJAR, (Mar. 10, 2025, 11:10 PM), <u>https://turnto10.com/news/local/residents-speak-out-over-rising-energy-bills-rhode-island-massachusetts-electricity-public-hearing-utility-green-energy-march-10-2025.</u>

also received specific complaints identifying billing irregularities independent of rate or weather impacts. These irregularities included delays in applying net metering credits and inexplicable bill increases that Commission staff could not readily attribute to higher usage or known rate adjustments. <sup>12</sup> These observations and customer feedback prompted the Commission's current investigation into the accuracy and functionality of the Company's billing system.

## C. Commission Commences the Subject Inquiry

On March 14, 2025, as a result of the public comments and direct customer contact with staff, the Commission began asking for information and clarification from the Company regarding the Company's management of the billing system and billing processes.<sup>13</sup>

Nearly a week later, during evidentiary hearings on March 20, 2025, one of the Company's witnesses was questioned about a billing discrepancy related to net metering credits that had come to the Commission's attention through discovery.<sup>14</sup> The Company's responses and the witness's testimony did not completely explain the cause for the billing errors giving rise to the billing discrepancy.<sup>15</sup> This caused the Commission to seek further clarification from the Company.<sup>16</sup>

On March 28, 2025, the Commission opened this docket to consider the complaints and other issues regarding the Company's billing system and performance.<sup>17</sup> All data requests and responses from the Company are published on the Commission's website. In addition to the

<sup>&</sup>lt;sup>12</sup> Out of an abundance of caution, the Commission will refrain from providing information that is reasonably likely to lead to an inadvertent disclosure of personally identifiable information. Suffice it to say, however, that the Commission has been contacted by multiple customers with a variety of complaints, including but not limited to being billed for unusually high usage when compared to the same month from prior years.

<sup>&</sup>lt;sup>13</sup> See Commission's First Set of Data Requests to the Company, Docket No. 25-08-GE (Mar. 14, 2025); Commission's Second Set of Data Requests to the Company, Docket No. 25-08-GE (Mar. 24, 2025); Commission's Third Set of Data Requests to the Company, Docket No. 25-08-GE (Apr. 2, 2025).

<sup>&</sup>lt;sup>14</sup> See Company's Response to Commission's Data Request 1-7, Docket No. 25-04-EL (Mar. 18, 2025).

<sup>&</sup>lt;sup>15</sup> *Id.*; *see also* Hr'g Tr. 99:17-120:23 (Mar. 20, 2025).

<sup>&</sup>lt;sup>16</sup> See Company's Responses to the Commission's Record Requests (Apr. 16, 2025).

<sup>&</sup>lt;sup>17</sup> Open Meeting Minutes (Mar. 28, 2025).

Commission's questions, billing issues continued to be brought to the Commission's attention through various means and from other sources.

On April 4, 2025, the Commission's clerk was copied on an e-mail chain between a commercial customer and the Company about billing issues. The e-mail chain included one e-mail, dated February 6, 2025, 10:43 a.m. from a Company employee to a customer regarding the status of a renewable energy facility that was entitled to the receipt of incentive payment bill credits under a renewable program. In the text of the February 6, 2025 e-mail, the employee refers to a "company wild [sic] billing debacle right now that leadership is working through."<sup>18</sup>

On April 17, 2025, a petition was filed by a solar developer and owner of a large solar facility that allegedly had not received net billing credits in a timely manner.<sup>19</sup> That docket was still pending as of the Commission's Open Meeting decision in this docket on May 14, 2025.

On or around April 30, 2025, the Commission learned from other state agency staff that the Rhode Island Department of Administration was involved in a dispute with Rhode Island Energy regarding the accuracy of certain electric and natural gas bills for numerous state accounts and had sent a formal letter to Rhode Island Energy.<sup>20</sup>

Then, in the context of reviewing the electric bills of Providence Water in connection with the water utility's pending rate case, Commission staff more recently reviewed electric bills from Rhode Island Energy associated with Providence Water facilities that were not showing the bill calculations in a manner that was completely understandable.<sup>21</sup> The Commission subsequently sent

<sup>&</sup>lt;sup>18</sup> E-mail from Company Employee to Customer (Feb. 6, 2025, 10:43 AM). The Commission assumes that the text intended to refer to a "Company [wide] billing debacle" and that the word "wild" was the result of a typo.

<sup>&</sup>lt;sup>19</sup> See generally Petition for Relief, Docket No. 25-11-REG (Apr. 17, 2025).

<sup>&</sup>lt;sup>20</sup> See Letter from State of Rhode Island Department of Administration, Office of Internal Audit, to J. Gregory Cornett, President of Rhode Island Energy (Mar. 27, 2025).

<sup>&</sup>lt;sup>21</sup> Providence Water's Response to Commission's Data Request 2-7, Docket No. 24-51-WW (Jan. 31, 2025).

out a fourth set of data requests on May 9, 2025, the responses of which were still pending as of the date of the Commission's Open Meeting decision on May 14, 2025.<sup>22</sup>

## **D.** Technical Issues Raising Questions

The information received by the Commission gives rise to many technical questions and issues regarding the Company's billing systems and performance.

### 1. <u>Billing System Defects Identified in Data Request Set 1</u>

In December of 2024, the Company discovered a billing system error tied to a missing file related to a third-party supplier during the billing system cutover in August of 2024. This defect caused approximately 7,388 customer accounts to be billed under the incorrect supplier. The Company canceled and rebilled affected accounts, attributing the error to supplier data not being transferred correctly during the system migration. The Company has not indicated whether similar issues may have occurred with other supplier or rate class data during the cutover.

## 2. <u>Renewable Energy Growth Program Billing and the "Billing Debacle"</u>

The Company has acknowledged that billing system defects have delayed or prevented payments to customers under the Renewable Energy Growth (RE Growth) Program. In its response to the petition of a solar developer in Docket 25-11-REG, the Company attributed these delays to three primary causes, one of which was billing system issues that prevented performance-based incentives from being accurately recorded or paid.<sup>23</sup>

Separately, the February 6, 2025, e-mail from a Rhode Island Energy project manager described an ongoing "billing debacle" regarding RE Growth projects, which was later shared with the Commission by the customer. This informal statement, referencing broad disarray and internal

<sup>&</sup>lt;sup>22</sup> Commission's Fourth Set of Data Requests to the Company, Docket No. 25-08-GE (May 9, 2025).

<sup>&</sup>lt;sup>23</sup> Company's Response to Petition for Relief, ¶ 29, Docket No. 25-11-REG (May 7, 2025).

coordination problems, reinforces concerns that the billing system may have material shortcomings in RE Growth project setup, tracking, and payment functionality.

## 3. <u>"No-Bill" Problems</u>

The Company has two distinct categories of customer accounts for which no bills have been issued:

- An "aged" group of roughly 1,631 customers that the Company inherited from National Grid, many of whom have gone multiple months—or longer—without receiving a bill.
- A "non-aged" group of about 4,508 new no-bill accounts that appeared beginning in August of 2024, following the system transition.

The causes of these no-bill situations remain under investigation, but potential explanations include meter configuration errors, data transmission failures, and deficiencies in logic or flag-handling in the new CSS or MDMS systems. These accounts present challenges for both customer service performance and revenue recognition and reconciliation.

#### 4. <u>Review of Notable Results and Performance Trends</u>

Beginning in October of 2024, work flow manager billing exceptions (WFM exceptions) spiked sharply, growing from 1,872 in September to 8,815 in October—a more than fourfold increase.<sup>24</sup> During that same time, the percentage of WFM exceptions that were not addressed before the applicable bills were issued to customers rose to 78.6%, reaching over 83% by December.<sup>25</sup> This suggested that many anomalous bills were issued without human correction. However, a significant percentage of these uncorrected bills were later adjusted and rebilled—in

<sup>&</sup>lt;sup>24</sup> Company's Response to Commission's Data Request 2-2, Docket No. 25-08-GE (Apr. 8, 2025).

<sup>&</sup>lt;sup>25</sup> Company's Response to Commission's Data Request 2-3, Docket No. 25-08-GE (Apr. 8, 2025).

October alone, 875 bills (12.6%) were rebilled after further review.<sup>26</sup> This may have been in response to customer contact, but there is no way of knowing at this time.

This pattern implies a potential lag in system effectiveness or human follow-up, with customers playing a key role in identifying errors after initial billing. At the same time, the number of customers dropped from the autopay option increased sharply, even though bill issuance exceeded 100% for one segment, further highlighting unexplained operational anomalies.

Commission staff has also reviewed individual customers' bills that have come through direct contact with ratepayers. The bill information is often confusing, and there are sometimes numbers on the bill that do not add up in a way one would expect. For example, carry forward credits or balance information is sometimes missing or contradictory to other sections of the bill. Other times, there is contradictory usage information. Further still, net metering credits are sometimes not shown. These go beyond a new bill design, and there is no practical way to identify with data requests alone what system(s) (i.e., MDMS, CSS, bill solution, etc.) are causing the above-referenced issues.

### 5. <u>Inaccurate Billing to State Accounts</u>

As noted above, the Commission also was made aware of a problem with numerous accounts of the State of Rhode Island. This has resulted in the Office of Internal Audit within the Department of Administration to issue a letter to the Company, expressing concerns that the billing process may have resulted in potential discrepancies and, consequently, the Office of Internal Audit was commencing a statutory review of the Company's billing.<sup>27</sup>

<sup>&</sup>lt;sup>26</sup> Company's Response to Commission's Data Request 2-4, Docket No. 25-08-GE (Apr. 8, 2025).

<sup>&</sup>lt;sup>27</sup> See Letter from State of Rhode Island Department of Administration, Office of Internal Audit, to J. Gregory Cornett, President of Rhode Island Energy (Mar. 27, 2025).

## II. The Need for a Comprehensive Review

The technical issues and questions identified above speak for themselves regarding the need for the Commission to conduct a review. Not only does the Company's billing system directly affect individual customers and their confidence in the integrity of the data used for billing, but the Company's billing system is essentially the "cash register" of the utility. If the information being processed through the system is not accurate, it has the potential to impact the data relied upon by this Commission in setting just and reasonable rates.

While the data shows signs of instability of the billing systems following the conversion, *the available information <u>does not necessarily support the conclusion</u> that a widespread failure to bill accurately or reliably occurred, and there is no evidence of a massive pool of incorrect bills <i>that have gone unnoticed*. Additionally, the Company appears to be actively addressing known issues. However, the nature of the known issues—including prolonged no-bills, net metering crediting problems, and the internally referenced "billing debacle"—warrants continued investigation to ensure the system is functioning properly and producing reliable outcomes. At the same time, the perceived performance trends—such as increased customer contact and satisfaction concerns, as well as the spike in WFM exceptions—do raise the possibility of unknown or unaddressed system defects that deserve further inquiry.

While the Commission has the technical capability to assess the system for rate-setting purposes, the complexity of billing and payment systems demands significant expertise, time, and resources. With only nine staff members, the Commission faces constraints in handling one-off projects, especially given the need to track down known issues, analyze system-wide risks, and evaluate service and rate impacts, all while managing current workload.

The current inquiry structure—based largely on data requests and technical sessions—is slow and increasingly strained by irregularly timed new information from customers, stakeholders, and company personnel. Managing this evolving data stream places a growing burden on staff and risks inefficient use of time by all parties involved. Without a more structured and proactive approach, the Commission may struggle to provide timely and effective oversight, particularly with a base distribution rate case on the horizon.

It is abundantly clear to the Commission that it must seek outside assistance from qualified experts to conduct an independent review and evaluation and provide a report of conclusions and recommendations to the Commission. Once the report is received, the Commission can decide whether evidentiary hearings are necessary to consider ordering any repairs or improvements.

## **III.** Authority for Retaining an Independent Consultant

This Commission has broad supervisory authority over the Company under the provisions of R.I. Gen. Laws title 39.<sup>28</sup> Specifically, § 39-1-3 states that the Commission has the powers and duties to hold investigations involving "the sufficiency and reasonableness of facilities."<sup>29</sup>

Section 39-1-7(b) provides the power to the Commission "to do a complete audit of the books of all public utilities. . . ."<sup>30</sup> While a review of the billing system is not an audit of the "books" *per se*, to the extent that the system is not accurately determining the revenue of the Company, it is directly linked to the books. In that regard, § 39-1-38 expressly states that the

 $<sup>^{28}</sup>$  R.I. Gen. Laws § 39-1-1(c) states in part: "[T]here is hereby vested in the public utilities commission and the division of public utilities and carriers the exclusive power and authority to supervise, regulate, and make orders governing the conduct of companies offering to the public in intrastate commerce energy . . . for the purpose of increasing and maintaining the efficiency of the companies, according desirable safeguards and convenience to their employees and to the public, and protecting them and the public against improper and unreasonable rates, tolls, and charges by providing full, fair, and adequate administrative procedures and remedies . . . ."

<sup>&</sup>lt;sup>29</sup> R.I. Gen. Laws § 39-1-3.

<sup>&</sup>lt;sup>30</sup> R.I. Gen. Laws § 39-1-7(b).

Commission "shall have, in addition to powers specified in this chapter, all additional, implied and incidental power that may be proper or necessary to effectuate the purposes."<sup>31</sup>

More specifically, § 39-4-2 provides the broad authority to the Commission, upon a finding that any plant or equipment of a utility is "inadequate, insufficient, or unsuited for public needs, or that repairs, improvements, or changes in the plant or equipment ought reasonably to be made," to order any such repairs or improvements to be made.<sup>32</sup> In this case, the Commission has not yet determined that evidentiary hearings are needed to consider whether any such repairs or improvements should be ordered. The purpose of the consultant's review would be to assist the Commission in making that determination. To the extent the review or investigation reveals a problem, the Commission would follow with evidentiary hearings that would provide the Company the opportunity to respond before any orders are issued that might require repairs, improvements, or alterations.

In that regard, § 39-1-19(a) already anticipates the type of circumstances faced by the Commission in this case, where the Commission needs outside expertise. That section states, in pertinent part:

"To carry out the purposes of this title, the commission and the division, within the appropriation therefor, are authorized to employ [various personnel] . . . and may also retain and employ experts, consultants, and assistants on a contract or other basis for rendering legal, financial, professional, technical, or other assistance or advice."<sup>33</sup>

In fact, the Rhode Island Supreme Court has already confirmed the broad authority of this provision under title 39 in a case involving a utility, where the Commission ordered the utility to

<sup>&</sup>lt;sup>31</sup> R.I. Gen. Laws § 39-1-38.

<sup>&</sup>lt;sup>32</sup> R.I. Gen. Laws § 39-4-2.

<sup>&</sup>lt;sup>33</sup> R.I. Gen. Laws § 39-1-19(a).

engage an independent auditor or "overseer" to assist the Commission in its duties.<sup>34</sup> The Court also confirmed that the Commission can make the appointment requiring the utility to hire the auditor even if there is a lack of substantial evidence to demonstrate the need for the appointment. As the Court stated: "[a] plain reading of § 39-1-19 reveals **no limitation** on the commission's authority to hire an overseer." <sup>35</sup> The only caveat expressed by the Court was that the independent auditor must not invade the utility's managerial functions.<sup>36</sup>

Finally, the Commission anticipates that the Company will eventually need to file a general distribution rate case. To the extent that the billing system may disturb the integrity of the Company's financials upon which a rate decision would be based, the Commission has the authority to reject a request for a rate change if the accounting could not be reasonably relied upon for the decision.<sup>37</sup> Here, the Commission is not waiting for a case to be filed to determine the reliability of the Company's revenue as determined through its billing system. The Commission is acting well in advance, in seeking consulting assistance to assure that the billing system and processes are reliable.

### IV. The Commission's Directives

## A. Filing of Draft RFP for Consulting Firm Services

Rhode Island Energy is directed to draft and file with the Commission a proposed request for proposals (RFP) from qualified independent consulting firms to seek services that will assist the Commission in evaluating the operational status, accuracy, and effectiveness of the Company's electric and gas billing and related systems. When filing the draft RFP, the Company shall include

<sup>&</sup>lt;sup>34</sup> In re Narragansett Bay Commission General Rate Filing, 808 A.2d 631, 635-36 (R.I. 2002).

<sup>&</sup>lt;sup>35</sup> *Id.* at 636 (emphasis added).

<sup>&</sup>lt;sup>36</sup> *Id*. at 637.

<sup>&</sup>lt;sup>37</sup> See Bristol and Warren Gas Company v. Harsch, 384 A.2d 298, 299 (R.I. 1978).

a distribution plan that, at a minimum, includes a list of potential consulting firms to whom the RFP is proposed to be sent. Such filing is due no later than May 30, 2025.

#### **B.** Content of RFP

At a minimum, the RFP shall specify the following:

- (a) That the Company shall recommend a consulting firm from the bids submitted based on an evaluation of qualifications and cost (with priority on qualifications), but the final selection of the consulting firm shall be made by the Commission. The RFP shall include clear evaluation criteria to be used in the Company's evaluation with point allocations for qualifications and costs that show how the Company will determine its recommendation to the Commission;
- (b) That the bidders identify any current or past work over the past ten years that was done for any PPL company or its affiliates;
- (c) That the objective of the engagement with the consulting firm shall be to assist the Commission in evaluating:
  - i. the operational status, accuracy, and effectiveness of the Company's electric and gas billing systems (including the format, the calculations depicted on the bills, and any other information provided on the bills that would impact the customer's understanding of how the charges were determined);
  - the operation of the back-office systems, meter data management system, and any other systems or processes that relate to producing accurate electric and gas bills to customers;
  - iii. the consistency between kilowatt-hours billed by the Company at retail and kilowatt-hours reported by the Company to ISO New England; and

- iv. the reliability of the billing systems for purposes of determining billed revenue that is used for financial and rate accounting.
- (d) That the consulting firm shall be supervised by a person designated by the Commission from among the staff at the Commission (Staff Designee);
- (e) That, at the request of the Division of Public Utilities and Carriers (Division) to the Commission, the Division may designate a non-lawyer staff member from the Division to (i) engage with the Commission's Staff Designee to follow the progress of the consulting firm's review, (ii) participate in meetings, at the Staff Designee's discretion, that the Staff Designee may have with the consulting firm and the Company, and (iii) make recommendations to the Staff Designee;
- (f) That the consulting firm shall provide periodic updates to the Staff Designee and provide a final written report to the Commission with its findings, including (i) conclusions regarding the accuracy and effectiveness of the Company's billing systems, (ii) conclusions regarding the reliability of the systems for determining billed revenue for financial and accounting purposes, (iii) problems identified by the Company, resolutions implemented, and the status of the issue, (iv) identification of problems that still need to be corrected, if any, (v) recommendations for repairs or improvements, and (vi) any other recommendations pertinent to the findings from the review;
- (g) That the final report shall be due by the later to occur of (i) October 1, 2025, or (ii) such date that is extended by Order of the Commission, in the Commission's discretion.
- (h) That the consulting firm may be requested by the Staff Designee to examine specific billing issues of a limited number of specific customer accounts identified by the Staff Designee;

- (i) That a representative of the consulting firm may be required to appear before the Commission to testify at formal public evidentiary hearings, if needed, as determined by the Commission;
- (j) That the consulting firm shall engage with the Company directly, including any Company personnel and contractors of the Company who have detailed knowledge of the operations, design, and implementation of the billing systems, and related systems, or personnel and contractors who are otherwise identified by the Staff Designee as reasonably needed for the review;
- (k) That, subject to the Commission's review and approval of a reasonable confidentiality agreement that does not constrain the purposes and duties of the consulting firm as set forth herein, the Company will provide reasonable access to the systems and data bases of the Company that relate to the matters pertaining to the consulting firm's review as set forth herein;
- (1) That the Company is required to cooperate fully with the consulting firm;
- (m)That the consulting firm will draw its own conclusions for the final report independently of the Company; provided, however, that the Company may review and comment upon the draft of the final report before it is issued, but will have no authority to direct the content of the final report. The consulting firm will have no obligation to change its report in response to the Company's comments; and
- (n) That the Company shall be responsible for paying all invoices submitted by the consulting firm for services under the consulting services agreement.

The RFP shall include a form of proposed consulting services agreement that is subject to the Commission's review and approval.

## C. Review and Evaluation Process

Prior to approval, the Commission may edit the RFP, as appropriate, in its discretion. Once the Commission approves the RFP and specifies the date for issuance, the Company shall issue the RFP to a list of recipients specified by the Staff Designee. The Company will issue the RFP with a deadline for responses within thirty days from issuance. The Company shall have an evaluation period that is no longer than thirty days, at the end of which the Company shall submit a confidential filing of the bid responses to the Commission, along with initial evaluation results and recommended selection for review and a decision by the Commission.

## **D.** Contract Execution, Payments, and Company Cooperation

The Commission may modify the form of contract in its discretion. The Company will execute the contract with the consulting firm within ten days of Commission approval of the selection of the consulting firm and the form of contract. The Company is directed to make payments for the costs owed under the contract as they arise.

The Commission makes no determinations at this time regarding cost recovery from ratepayers for the payment of the costs incurred by the Company from the consulting firm contract.

#### E. Cost Tracking – Billing Issues

The Company is directed to account for and track the incremental costs it has incurred and may incur going forward relating to inaccurate bills caused by customer information and billing system conversion problems, commencing August 19, 2024.<sup>38</sup> The Company shall make a filing with the Commission by no later than June 30, 2025, providing (i) an explanation of the process and methods that the Company is or will be using to identify and track such incremental costs, including without limitation an explanation of how the baseline cost was established from which

<sup>&</sup>lt;sup>38</sup> In defining incremental costs, the Company will need to provide the baseline against which it is defining "incremental."

the incremental cost is measured, and (ii) schedules providing an accounting of such incremental costs incurred from August 19, 2024 to the most recent date where such information was readily available. The Company is directed to file periodic updates that track these incremental costs on a monthly basis. Such updates shall show the incremental costs for the applicable month and the aggregate costs calculated from August 19, 2024.

Accordingly, it is hereby:

(25352) ORDERED:

1. The Company shall fully comply with the directives as stated in Part IV of this Order and perform all acts as so directed.

EFFECTIVE AT WARWICK, RHODE ISLAND ON MAY 14, 2025, PURSUANT TO AN OPEN MEETING DECISION ON MAY 14, 2025. WRITTEN ORDER ISSUED MAY 16, 2025.



PUBLIC UTILITIES COMMISSION

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Ronald T. Gerwatowski, Chairman

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Abigail Anthony, Commissioner

**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 Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.