BEFORE THE
PUBLIC UTILITIES COMMISSION
OF THE
STATE OF RHODE ISLAND

IN THE MATTER OF	**)**	
THE NARRAGANSETT ELECTRIC	**)**	**DOCKET NO. 25-22-NG**
COMPANY D/B/A RHODE ISLAND ENERGY	**)**	
2025 DISTRIBUTION ADJUSTMENT	**)**	
CHARGE AND GAS COST RECOVERY	**)**	
FILING	**)**	

SURREBUTTAL TESTIMONY OF JEROME D. MIERZWA

ON BEHALF OF

THE DIVISION OF PUBLIC UTILITIES AND CARRIERS

October 14, 2025

EXETER
ASSOCIATES, INC.
10480 Little Patuxent Parkway, Suite 300
Columbia, Maryland 21044

SURREBUTTAL TESTIMONY OF JEROME D. MIERZWA

Docket No. 25-22-NG

October 14, 2025

I. INTRODUCTION

Q. WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?

A. My name is Jerome D. Mierzwa. I am a Principal at and the President of Exeter Associates, Inc. ("Exeter"). My business address is 10480 Little Patuxent Parkway, Suite 300, Columbia, Maryland 21044. Exeter specializes in providing public utility-related consulting services.

Q. ARE YOU THE SAME JEROME D. MIERZWA THAT FILED DIRECT TESTIMONY IN THIS PROCEEDING ON OCTOBER 1, 2025?

A. Yes, I am. Exeter was retained by the Division of Public Utilities and Carriers ("Division") to review the August 28, 2025, annual Gas Cost Recovery ("GCR") filing of the Narragansett Electric Company d/b/a/ Rhode Island Energy ("Rhode Island Energy" or "the Company"). Exeter was also retained by the Division to review the System Pressure Factor component of the Company's August 28, 2025, annual Distribution Adjustment Clause ("DAC") filing. My October 1, 2025 testimony presented the results of my review of the Company's GCR and DAC filings.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony of James M. Stephens filed on behalf of Rhode Island Energy in this proceeding.

II. VARIABLE PEAK HOURLY DEMAND COSTS

Q. PLEASE SUMMARIZE YOUR DIRECT TESTIMONY CONCERNING THE VARIABLE COSTS INCURRED BY THE COMPANY TO MEET THE PEAK HOURLY DEMANDS OF ITS CUSTOMERS?

A. In my direct testimony I noted that the Order in GCR Docket No. 24-29-NG directed the Company to track the variable costs incurred by the Company to meet the peak hourly demands of its customers, to report those costs and, if significant, to allocate those costs from the GCR to the DAC in its next annual GCR proceeding. I also noted in my direct testimony that the Company claimed that the incremental variable costs incurred to meet hourly demands during the winter of 2024-2025 were not significant. However, the Company did not specifically quantify those costs. Therefore, I recommended that in its rebuttal testimony, the Company quantify the incremental variable costs it incurred to meet peak hourly demands during the winter of 2024-2025 and state its position on whether it considers the costs to be significant and the reasons why.

Q. IN ITS REBUTTAL TESTIMONY, DID THE COMPANY QUANTIFY THE VARIABLE COSTS IT INCURRED TO MEET PEAK HOURLY DEMANDS OF ITS CUSTOMERS AND STATE ITS POSITION WHETHER IT CONSIDERED THOSE COST TO BE SIGNIFICANT?

A. Yes, it did. The Company quantified the variable costs incurred to meet peak hourly demand to be [redacted], which represented less than [redacted]% of the total variable gas costs of approximately $113 million for the 2024/25 gas year. The Company found these costs not to be significant.

Q. DO YOU AGREE WITH THE COMPANY THAT THESE VARIABLE COSTS WERE NOT SIGNIFICANT?

A. Yes, I do.

III. CASH OUT PROVISIONS

Q. PLEASE SUMMARIZE YOUR DIRECT TESTIMONY CONCERNING THE CASH OUT PROVISIONS UTILIZED BY THE COMPANY TO ADDRESS THE MONTHLY IMBLANCES OF TRANSPORTATION CUSTOMERS.

A. In my direct testimony I found that the tariff cash out provisions currently utilized by Rhode Island Energy to address the monthly imbalances of transportation service customers adversely and unreasonably increased the purchased gas cost of GCR customers. For the period December 2024 through March 2025, I estimated this adverse impact to be $2.7 million. Therefore, I recommended that the Commission require Rhode Island Energy to revise its current cash out provisions to eliminate the unreasonable impact of these provisions on GCR customers.

Q. DID THE COMPANY AGREE THAT THE CASH OUT PROVISIONS HAD AN ADVERSE IMPACT ON GCR CUSTOMER DURING THE PERIOD DECEMBER 2024 THROUGH MARCH 2025?

A. No. The Company claims that my calculation of the adverse impact was not fully reflective of the current cash out tariff provisions and did not account for the various processes used by the Company for managing the aggregate imbalances for all customers. The Company claims that its cash out provisions are more complicated than the approach I used to calculate the adverse impact of those provisions on GCR customers during the winter of

2024-2025. On pages 11 through 16 of his rebuttal testimony, Mr. Stephens explains the Company’s cash out tariff provisions and various processes used in significant detail. Due to the complexity of those cash out provisions, he suggests that a collaborative process be initiated to discuss the Company’s transportation service program in a holistic manner to avoid any unintended consequences. Specifically, the Company would facilitate a discussion of the transportation service program with the Division and marketers serving transportation customers.

Q. WHAT IS YOUR RESPONSE TO THE COMPANY’S RECOMMENDATION TO ESTABLISH A COLLABORATIVE PROCESS?

A. The finding in my direct testimony that the Company’s cash out provision had a $2.7 million adverse impact on GCR customers was based on the Company’s response to data request Division 4-13 which was included in my direct testimony as Schedule JDM-1. That data request asked the Company to identify how transportation customer imbalances were resolved. The Company’s response to Division 4-13 indicated that imbalances were resolved by cash out based on index prices which is how I calculated the $2.7 million adverse impact of the cash out provisions on GCR customers. The Company’s response to Division 4-13 did not identify the detailed processes used by the Company to resolve imbalances discussed by Mr. Stephens in his rebuttal testimony. Given the complexities of the Company’s cash out provisions, I find Mr. Stephen’s recommendation to establish a collaborative process to discuss the Company’s transportation service program to be reasonable.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?
A. Yes, it does.